THE ALLOCATION OF STUDENTS LOAN USING MEANS TESTING AT THE

STUDENTS LOAN TRUST FUND

By

KNUST

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DECLARATION

I hereby declare that this submission is my own work towards the Commonwealth Executive Masters of Business Administration (CEMBA) and that, to the best of my knowledge, it contains no material previously published by another person nor material which has been accepted for the award of any other degree of the University, except where due acknowledgement has been made in the text.

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ABSTRACT

It is an undisputable fact that, education especially, at the tertiary level, plays an important role in reducing poverty, inequality and promoting sustainable economic development (UNESCO, 2010; McMahon, 1999). Despite the significance of higher education, its acquisition entails a huge capital commitment, which many governments in most developing countries such as Ghana have been grappling with over the years. In response to the myriad challenges in financing higher education such as accessibility and rapidly growing demand for tertiary education, many countries are trying to introduce elements of cost sharing such as students' loans, in order to expand the quality of higher education, of which Ghana is no exception. African countries like Kenya and Tanzania have adopted the use of means tested students' loans to expand access to higher education to needy students. In Ghana, no or little studies have been conducted on means testing of students' loan to tertiary students. Further, little is also known of how the Students Loan Trust Fund (SLTF), allocates students loan using the means testing methodology to assess the financial needs of loan applicants. Therefore, the study aimed at exploring the allocation of students' loan using Means Testing to assess their financial needs in order to give them appropriate loan amounts at the SLTF. Purposive sampling technique was employed to obtain the unit of analysis. Key-informant interview was used to collect primary data while secondary data on loan applicants for the 2011/12 academic year was obtained as a Microsoft Excel file from SLTF. Results from the analysis showed that, majority of the applicants constituting 83% were males, while the females were only 17%. It was also found out that, the loan applicants were grouped into ten (10) need categories based on their need assessment levels. In addition, findings from the study indicated that, majority (57%) of the loan applicants fell in the average need categories. The main challenge identified during the study is the provision of false information by applicants that may not be verifiable. The study however, concluded by asserting the essence of the means testing methodology for students' loan allocations and reiterated the need to examine the critical factors that may limit the usefulness of the tool in the efficient allocation of students' loan in Ghana. The study recommended among others that, there should be an increase in awareness creation of the means tested loans to students who are permanently residing in rural localities in Ghana.
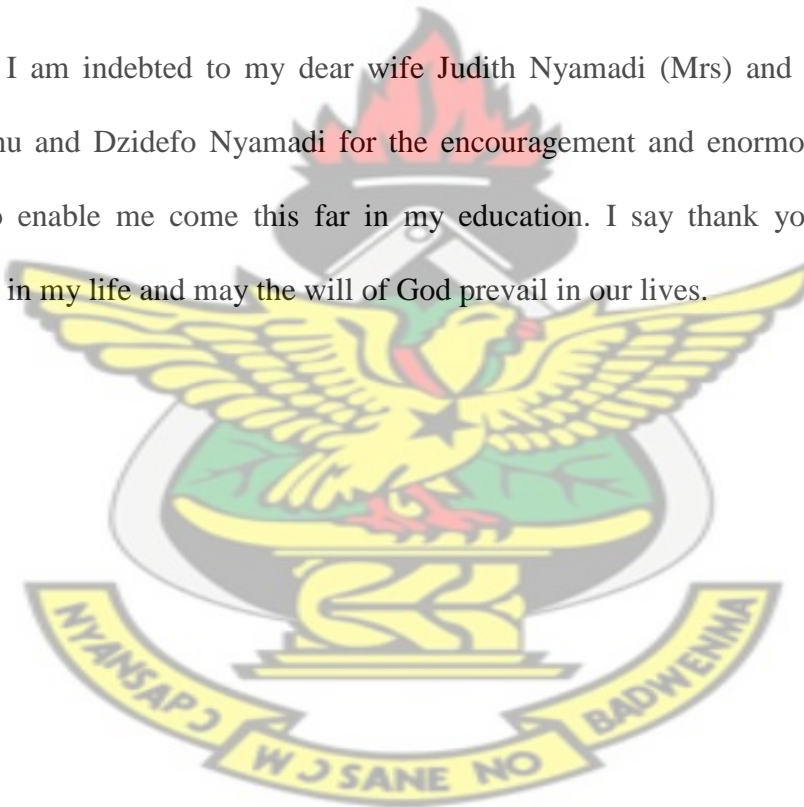
DEDICATION

I dedicate this work to the Almighty God for his guidance, protection and care before and during the years of this study. Though hectic, I thank God for seeing me through.

This work is also dedicated to my dear parents George Nyamadi and Elizabeth Kporsu for their love and guidance, without them life is meaningless.

To my siblings Lionel, Prisca, Priscilla and Angelus Nyamadi on account of their sacrifices, spiritual and moral supports.

Finally, I am indebted to my dear wife Judith Nyamadi (Mrs) and children Dzidzor, Dziwornu and Dzidefo Nyamadi for the encouragement and enormous sacrifices they made to enable me come this far in my education. I say thank you all for being a blessing in my life and may the will of God prevail in our lives.

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LIST OF ABBREVIATIONS/ACRONYMS

CEO …………………….. Chief Executive Officer

DVD …………………. Digital Versatile/Video Disc

JHS …………………... Junior High School

JSS …………………… Junior Secondary School

LAF …………………... Loan Application Form

LEAP ………………… Livelihood Enhancement Against Poverty

N/A …………………... Not Applicable

NCTE ………………… National Council for Tertiary Education

NHIS …………………. National Health Insurance Scheme

PC ……………………. Personal Computer

RNI …………………... Relative Need Index

SHS …………………... Senior High School

SLTF …………………. Students Loan Trust Fund

SPSS …………………. Statistical Package for the Social Sciences

SSNIT ………………... Social Security and National Insurance Trust

SSS …………………... Senior Secondary School

UNESCO ……………... United Nations Educational, Scientific and Cultural

Organization

UK ……………………. United Kingdom

WI ……………………. Wealth Index

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

It is an undeniable fact that, education especially at the tertiary level, is one of the most powerful instruments for reducing poverty and inequality and lays a foundation for sustained economic growth. It does not only hold the potential to shape the world of tomorrow but also provides individuals and society with the skills, perspective, knowledge and values to live and to work in a sustainable manner (UNESCO, 2010; Oketch, 2000; McMahon, 1999).

All over the world, especially in developing countries such as Ghana, higher education is faced with critical challenges such as accessibility, affordability and rapidly growing demand, coupled with a declining or static government spending on tertiary education (Marcucci & Johnstone, 2010; Atuahene, 2007). In response, many countries are trying to introduce elements of cost sharing such as tuition fees, food subsidies, grants and students loans, in order to preserve or even expand the quality of higher education.

According to Marcucci & Johnstone (2010), financing of higher education using students loans has existed in most developed and developing countries for over two decades. In countries such as Chile, China, the Philipines, Kenya and Mexico students' loans have been allocated through various means like income-contingent method and need–based assessments. Though there are various means of administering students' loans all over the world, means tested students' loan schemes are practised in developed

countries like Canada, Japan, England and the United States (Marcucci & Johnstone, 2010).

A few African countries such as Kenya, Rwanda, Tanzania and South Africa also employs means testing to target and give financial support to tertiary students (Marcucci & Johnstone, 2010; Ngolovoi, 2008; Tekleselassie and Johnstone, 2004).

Marcucci & Johnstone (2010), noted that, "means testing which is a form of subsidy tries to allocate at least some of the higher educational subsidies such as grants or subsidized loans, low or no tuition fees on the basis of students or their families need, or its estimated ability to pay for some underlying cost of higher education".

A means-tested students loan is a form of loan given to students based on an assessement of their needs. According to Tekleselassie and Johnstone (2004), "means testing is a form of subsidy targeting, which tries to allocate to some extent higher educational financial support on the basis of need or estimated ability to pay". As a form of subsidy, a means tested loan tries to support at least some of the educational needs of eligible students such as the cost of stationery, transport and feeding (Marcucci & Johnstone, 2010).

In relation to the above discussion, in Ghana, tertiary education was fully funded by the Government from independence to the mid 1970s. When this could not be sustained in the late 1970s to mid 1980s, the Book Loan Scheme was introduced and run by the Ghana Commercial Bank and the then, Social Security Bank. The Book Loan Scheme was discontinued in the late 1980s as a result of difficulties in loan recovery and the

Social Security and National Insurance Trust (SSNIT) Student Loan Scheme was introduced.

In December 2005, the Students Loan Trust Fund (SLTF) was established to take over the students loan scheme to enable SSNIT focus on its core business of pension fund administration. After about twenty years of operation, the SLTF took over the functions of students' loan management from SSNIT and commenced operations in January 2006. SLTF was established under the Trustees Incorporation Act 106 of 1962 to provide financial resources and to soundly manage the resources for the benefit of students.

Until recently, the disbursement of loans by SLTF to tertiary students was per the programme of study. Perhaps, the ever increasing demand for higher education, increasing population of secondary school leavers and the declining government investment on higher education has called for the need to find appropriate means to efficiently allocate the scarce resources available for tertiary education. In pursuit of a more effective strategy to better assess the financial needs of current and prospective borrowers, the Students Loan Trust Fund has adopted the means testing methodology, to improve upon the financial assistance provided to students in tertiary institutions in Ghana (SLTF Annual Report, 2010).

1.2 Statement of the Problem

According to the theory on Human Capital, higher education enhances productivity, raises the earning of individuals and contributes to economic growth (Cohn & Geske, 1990). However, on the gloomy side, a study by Atuahene (2007), asserted that, access to finance, educational facilities and increasing students population coupled with scarce

financial resources are some of the significant problems which hinders access to higher education in Ghana. This assertion is corroborated by studies done by Marcucci & Johnstone (2010) and Johnstone (2004).

Despite the fact that, higher education has been touted to lead to the human resource development of a country, the acquisition of it, entails a huge capital commitment which many governments in developing countries such as Ghana has been grappling with, over the years. This was reiterated by a UNESCO Institute for Statistics (2009), which indicated that, in Ghana, there had been decreasing government investment in higher education. For instance, education at all levels forms only 24% of total government expenditure. Out of this number, tertiary education takes only 21% of government spending on the educational sub-sector.

Furthermore, available data also indicates that, the gross students enrollments in the six Public Universities for the 2010/2011 academic year was 115,425 whiles that of the 10 Polytechnics was 43,113 (NCTE data, 2011). This paints a glumy picture looking at the large number of students who would have to compete for scarce resources particularly, acccess to funds for higher education in Ghana.

In Ghana, just like several other developing countries access to funds for tertiary education is not easily accessible, despite several efforts made by Government to increase access to higher education as enshrined in Articles 25 and 38 of the 1992 Constitution of Ghana. This could have been attributed to several factors such as the ever increasing students population, the high capital outlay in providing educational facilities and the proliferation of private tertiary institutions.

Students loan is one of the most arguably phenomenon in financing higher education in Ghana. However, studies have shown that, the significance of students loan as a cost sharing mechanism cannot be under-estimated (Atuahene, 2007).

While attention has been drawn to targeting as a method of pursuing anti-poverty policies such as the Livelihood Enhancement Against Poverty (LEAP) and NHIS in Ghana, less has been said for means testing for targeting and allocating of students loan to tertiary students in Ghana. Further, little is known of how the allocation and disbuserment of loans using the means testing approach is done at SLTF, the criteria used in selecting the loan applicants and how the means testing methodology is carried out to assess the financial needs of tertiary students. In the light of the above discussion, it is imperative to explore the allocation of means tested students loan by SLTF Ghana, as undertaken in this research work.

1.3 Objectives of the Study

The general objective of the study is to explore the allocation of Students Loan using Means Testing at SLTF.

Specifically, the study seek to:

1. Identify the processes involved in the application, allocation and payment of students loan at SLTF.

2. Examine the variables used in the means testing at SLTF.

3. Find out how the means testing is carried out to assess the financial needs of loan applicants at SLTF.

4. Identify the challenges likely to be associated with the means testing methodology.

1.4 Research Questions

1. What are the processes involved in the application, allocation and payment of students loan at SLTF?

2. What are the variables used in the means testing methodology at SLTF?

3. How is the means testing carried out to assess the financial need of loan applicants at SLTF?

4. What are the key challenges likely to be associated with the means testing methodology at SLTF?

1.5 Significance of the Study

This study is crucial to the operations of SLTF primarily because, it seeks to explore other ways of administering the scarce financial resources available to support tertiary education students. There have been various modalities used in administering students loan in Ghana since the 1970s. The issue of paradigm shift in financing higher education in Ghana through cost sharing became imparative due to the increasing student numbers coupled with limited public finance on the part of successive governments.

It is however, important to examine the allocation of students loan using a need-based assessment or means testing approach. Though several researches have been conducted with regards to financing higher education in Ghana, little is known in the area of exploring the allocation of loans through a means testing mechanism. Therefore the

analysis of this study will bring out the processes in the application, allocation and disbursement of students loan to tertiary students and the constriants involved in such processes. It will also add to existing knowledge and serve as a basis for further research in this area. Findings from the study may serve as the basis of comparison with similar loan schemes elsewhere for the improvement on the effectiveness and efficiency in students loan administration at SLTF.

Finally policy makers, educationists, and administrators may find useful lessons in the study to help implement other policy programmes.

1.6 Scope of the Study

The study is specifically restricted to the allocation of students loan to tertiary students at SLTF. The unit of analysis is limited to loan applicants for the 2011/12 academic year in the SLTF database and key–informants from the Operations Department of SLTF.

1.7 Organization of the Study

The study is structured into five main (5) chapters. The first chapter introduces the study. It provides the background to the study, the problem statement, research questions, the objectives of the study, the significance of the study, the scope and the organization of the study. Chapter two presents an overview of reviewed literature on concepts of students loan, types of means tested students loans, the theoretical and conceptual frameworks on means tested loans, variables or indicators used in means testing and the organisational profile of SLTF. Chapter three outlines the researcher's methodology employed to achieve the set objectives of the study. Chapter four looks at

the results of the study and its analysis and the final chapter (five), comprises the summary, concluding remarks and recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

 Over the years, students' loans for higher education have received much attention both in literature and in practice all over the world. In Ghana, access to funds for tertiary education is of great public concern. As higher education in Ghana continues to face the challenge of meeting the increasing demands for participation and the rising unit cost per student, students' loan have evolved to become a means of financing higher education (Marcucci & Johnstone, 2010; Atuahene, 2007). In recent times, a student's loan scheme is one among many alternatives for financing higher education in various countries all over the world including Ghana.

It is perceived as a mechanism for cost sharing in higher education among stakeholders. It also provides alternative solution to the financial constraints facing students from low socio-economic backgrounds who would have been denied access to higher education because of their inability to pay (Marcucci & Johnstone, 2010; Woodhall, 2004).

2.2 The General Concept of Student Loans

The need to acquire higher education by students all over the world is faced with various challenges such as accessibility, affordability and rapidly growing demand and decreasing or static public expenditure (Marcucci and Johnstone, 2010; Johnstone 2004; Tekleselassie & Johnstone, 2004).

All over the world, there are diverse government-supported student loan schemes in over 70 countries (Shen & Ziderman, 2008; Ziderman, 2005). Besides, there are significant differences across loan schemes in management structure and administrative procedures of these students loan schemes (Ziderman, 2005).

2.3 Types of Means Testing Loans

According to Tekleselassie and Johnstone (2004), "means testing is a form of subsidy targeting, which tries to allocate to some extent higher educational financial support on the basis of need or estimated ability to pay". As a form of subsidy, a means tested loan tries to support at least some of the educational needs of eligible students such as the cost of stationery, transport and feeding (Marcucci & Johnstone, 2010). Means tested loans which are often aimed at targeting needy students are common in countries like Canada, Turkey, Kenya and the United States (Marcucci & Johnstone, 2010; Shen & Ziderman, 2008).

2.4 Variables and Indicators used in Means Tested Student Loans

Generally, different variables, indicators and proxies are used by different students loan schemes in various countries all over the world. While there may be differences in individual country design characteristics, Marcucci and Johnstone (2010), identified

some common variables which are best practices throughout the world. Basically, wealth indicators often used for means testing formula in low and middle–income countries usually combines variables such as family size, structure of family dwelling, information on assets, family income, primary and secondary schools attended, parental occupation, attributes to measure additional capacity to pay and verification of assets (Mirisotis & Wolanin, 2002; Tekleselassie & Johnstone, 2004; Marcucci & Johnstone, 2010).

2.5 Means Tested Student Loans-International Experience

Higher education in Africa faces a myriad of challenges such as accessibility, affordability, university enrollments, retention, lack of improved infrastructure and financial limitations (Atuahene, 2007). In Africa, financial austerity had compelled most countries to adopt other means to target the provision of public services, especially in higher education financing through means testing and need analysis (Tekleselassie & Johnstone, 2004). For instance, countries like Mozambique, Uganda, Kenya and Tanzania practice a form of means testing subsidies.

Futher, studies conducted by Marcucci and Johnstone (2010), indicated that, means testing mechanisms had been used world wide in Africa, Asia, Latin America, North America and Europe to target financial support to students. For instance means testing is being used in countries like Chile, China, Australia, England, Germany, South Africa, Tanzania and Kenya, in administering financial support to tertiary students.

2.6. Challenges Associated with Means Tested Student Loans

The World Bank recognizes that, an efficient cost sharing mechanism is vital to an operational students loan program that promises necessary financial support to eligible poor students in higher education (World Bank, 1994, pp. 46− 47, 50 as cited in Woodhall, 2004).

In Ghana previous students loan schemes have struggled with key challenges such as diminishing financial resources, complex administrative costs, poor recovery rate and alleged administrative ineffeciencies (Sawyerr, 2001).

Tekelselassie and Johnstone (2004), have identified that, issues of compromises and imperfections are involved in the basic goals of equity and efficiency of most means testing modules in many low and middle–income countries. They also raised concerns with regards to the technical difficulty in verifying assets and incomes. This was confirmed by a previous study by McMahon in 1999. Castañeda and Lindert (2005), also mentioned the problems associated with institutional arrangements with regards to the design and database management of means testing.

2.7 Theoretical Framework on Cost Sharing

As noted by Atuahene (2007), argument over Government subsidies and investment in higher education in general, had been perceived from neo-liberal economic models and market terms.

The basic principle underpinning the concept of human capital theory which was adapted into education finance in the 1960s by Thedore Schulz, was the public rate of returns to education and its effect on higher education investment and funding. Further,

Economics of Education literature is inundated with several studies to justify who pays for the cost of higher education. For example, Friedman and Friedman (1980) hypothesized that, there is no proof that advance education, benefit society more than the individual. According to them, higher education can even cause political instability and social strife.

On the contrary, current studies have also revealed that, investment into higher education has greater benefits not only to the individual but society. Psacharapoulos (1981) study on the rate of returns on education, found that, higher rate of return is correlated with higher income earnings. Miller (1982), also finds that, higher education has 15% social rates of returns. As noted by Atuahene (2007), "in similar studies by Kenkel (1990) and Grossman (1976), they argued that, there are some monetary evidence associated with higher education for other variables such as family income". In both studies, Kenkel (1990) and Grossman (1976) discovered that, higher education could improve individuals' life style, better health knowledge and status. In a nut shell, the principal causes or rationale for cost sharing are hinged on the arguments that, cost sharing would bring equity and efficiency.

2.7.1 Theoretical Principles of Means Tested Students Loans

In recent times, there had been draw backs on the universal provision of public goods such as free health care, water and education especially at the tertiary levels. Scarce resources for public expenditure has called for the need for targeting. According to Tekleselassie & Johstone (2004), "many studies – Nichols & Zeckhaser, 1982; Sen,

1995; Atkinson, 1995) established the need for the increase in targeting of government expenditure toward the poor''.

The theoretical foundation for targeting include both equity and efficiency. According to Sen (1995), "the more accurate a subsidy is in reaching the poor, the less the wastage, and the less it costs to achieve the desired objective".

Reviewed literature so far showed that, in Ghana, little study has been conducted with respect to means testing of students loan being provided by a centralized government agency. From the theretical framework above, the research study would add to existing knowledge on students loan allocation using means testing methodology in Ghana.

2.8 Processes in the Application and Payment of Student Loans: World Comparisons

In most means tested loan schemes all over the world, loan application processes are handled either by a centralised or decentralised government and tertiary institutions. In some countries like South Africa and Kenya, the scheme is being run by a central government–funded loans agency as in the case of Ghana's SLTF. These loan agencies are in charge of all aspects of the scheme such as loans size, loans allocation to applicants and loan repayments. However, in other advanced countries like Australia, United States of America and Canada, tax officials are in charge of loan repayments (Ziderman, 2005).

Ziderman (2005), also stated that, though considerable debate has settled on the question on how repayment obligations should be computed, there is now a sizeable theoretical and applied literature on loan repayments. The most common scheme which is practiced

in many countries such as Tanzania, Kenya and Uganda, is the mortgage-type schemes, in which repayment obligations are fixed and known in advance. However, there are a few developed countries, like Newzealand, Australia, and the UK which use the income–contingent approach to students loan repayments, where the borrower's periodic repayment obligations are computed as a percentage of income and collected by income tax authorities (Shen & Ziderman, 2008; Ziderman, 2005; Chapman & Ryan, 2002).

2.9 Brief History of Students Loan in Ghana

In Ghana, students loan was first introduced in 1971. However due to political instability and unsuccessful loan recovery, a new loan scheme was introduced by government in 1989 (SSNIT Corporate document, 2010) and was administered by SSNIT. At the onset of the scheme, all students pursuing tertiary level courses in public institutions were eligible for a maximum loan amount of GH 7.20 (1990/91) from SSNIT (Kotey, 1992). The Government continues to bear the cost and the provision of all facilities in public tertiary institutions. Tuition was free in all educational institutions. However, according to Kotey (1992), non-tuition costs, including student maintenance is the responsibility of students, parents or guardians, since the scholarships/bursary loan schemes have been put in place to assist the aforementioned people to meet their responsibilities.

2.9.1 Profile of SLTF

The Students Loan Trust Fund (SLTF) was established under the Trustees Incorporation Act 106 of 1962. The objectives of the Trust Fund are to provide financial resources for the sound management of the Trust for the benefit of students and to help promote and facilitate the national ideals enshrined in Articles 25 and 38 of the 1992 Constitution

(Corporate Document, 2012). For the purpose of achieving the objectives of the Trust Fund, monies from the Trust Fund shall be applied to the relevant activities that the Trustees of the Fund may determine, including, in particular

1. The provision of facilities to enhance the tertiary education to support students.

2. The provision of monies to support any other activities and programmes for the promotion of relevant courses as determined by the Trustees, in consultation with the Minister.

The Students Loan Trust Fund is governed by a Board of Trustees that comprises of distinguished individuals of relevant backgrounds pertinent to the business of SLTF. The members of the board are appointed by the President of the Republic.

The day-to-day administration of SLTF is headed by a CEO, assisted by a team of dedicated professionals. The SLTF also has Campus offices in major tertiary institutions all over the country. The functions of these offices include:

1. Provide first stop shop for student enquiries.

2. Pickup and drop-off points for loan application forms.

3. Loan application verification for completeness of forms.

4. Liaise between SLTF and loan applicants (students).

5. Disseminate information to students in a timely manner.

The sources of loanable funds for SLTF include:

1. Monies paid into the Trust Fund representing up to ten percent of all the inflows into the Ghana Education Trust Fund.

2. Voluntary contributions which will be tax deductible.

3. Mobilization of resources from Ghana's international partners interested in the advancement of tertiary education.

4. Contributions from the corporate sector that shall be tax deductible up to the equivalent of 0.5% of the company's actual profit before tax.

5. Loans from Social Security and National Insurance Trust (SLTF Corporate Document, 2012).

2.9.2 Operational Definition of Terms and Concepts

For the purpose of this study, **Allocation** of students loan would simply imply the assigning of specific loan amount to students according to certain modalities or criteria at the agency-SLTF.

In this study, **Students Loan** is operationally defined as a loan offered to students which is used to pay off education–related expenses, such as stationery, test books, living expenses like feeding, accommodation and transportation costs. Many of such loans are offered by goverment to students at a lower or subsidized interest rate. In general, students are not required to pay back loans until the end of the grace period of two years after the completion of their tertiary education.

A **means-tested students loan** would be denoted as a form of loan given to students based on an assessement of their needs after they had applied for the loan.

For the purpose of this study, **disbursement** is used to denote the payment of loans to beneficiaries after they have satisfied all the necessary criteria and terms of agreement or conditionalities related to the loan.

Though there are various connotations with regards to the meaning of **Tertiary/Higher Education,** in this study it will be used interchangeably to imply education beyond the secondary level especially at the College, Polytechnic and first degree level of University education.

2.9.3 Conceptual Framework on the Relationship between Means Tested Students Loan to enhance access to Higher Education

The study on students loan allocations using the means testing instrument at SLTF can be conceptualized through the problem and objective tree analyses by examining the cause-effect relationship and the means–end situation of students loan administration.

The Problem Tree Analysis

This shows the cause–effect relationship in a diagram in the image of a tree. The logic is that, like the tree, every problem has root which has a link with the shoots and the trunk. The causes are linked to the tree while the effects are linked to the branches, with the trunk being the core.
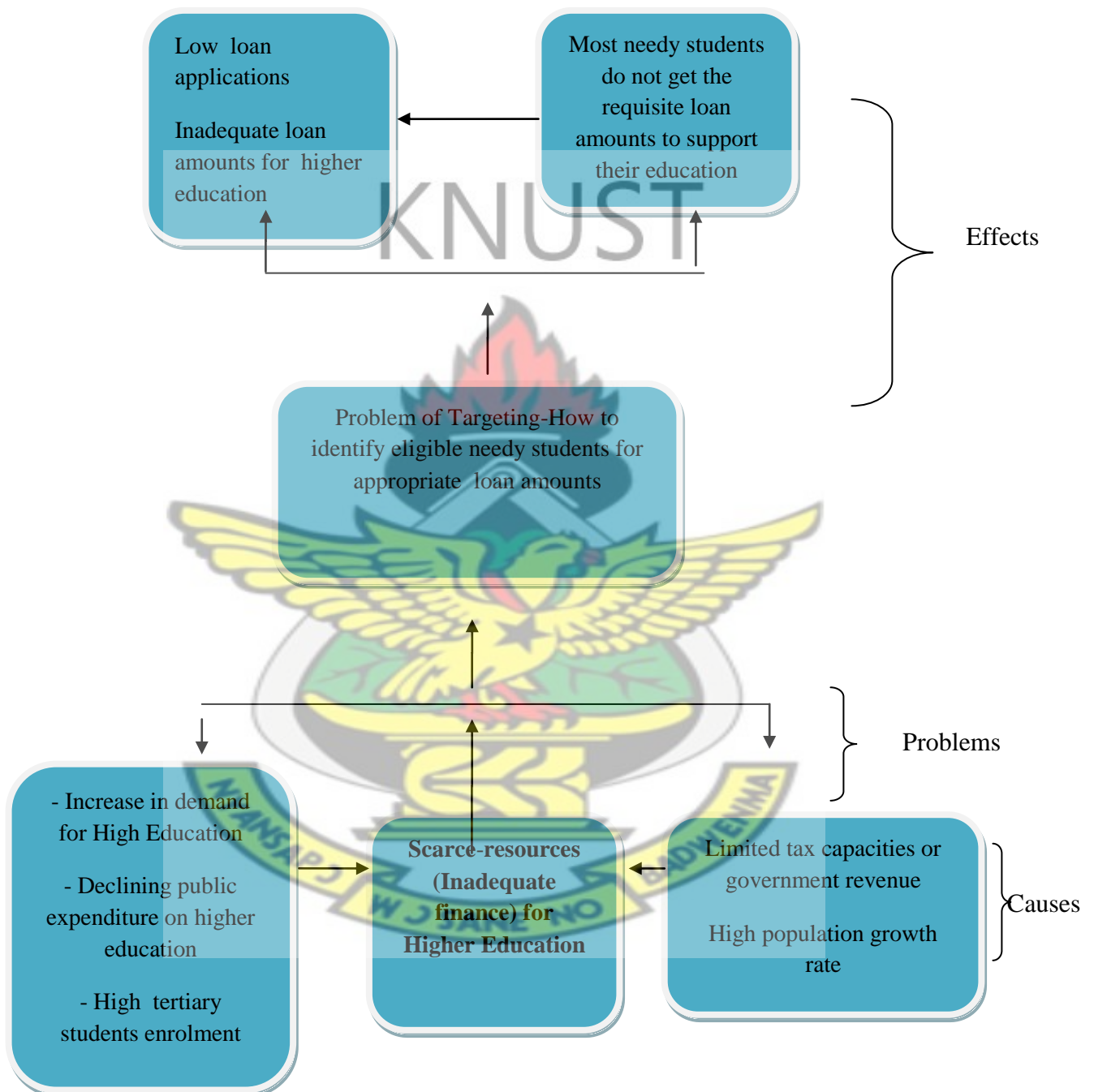
Figure 2.1: Problem Tree Analysis of Loan Application

Source: Author's own construct, July 2012

Objective Analysis

In the objective analysis, all the negative statements were turned into positive statements and the cause-effect relationship is turned into a means-end relationship to achieving the problem turned-objective statement.
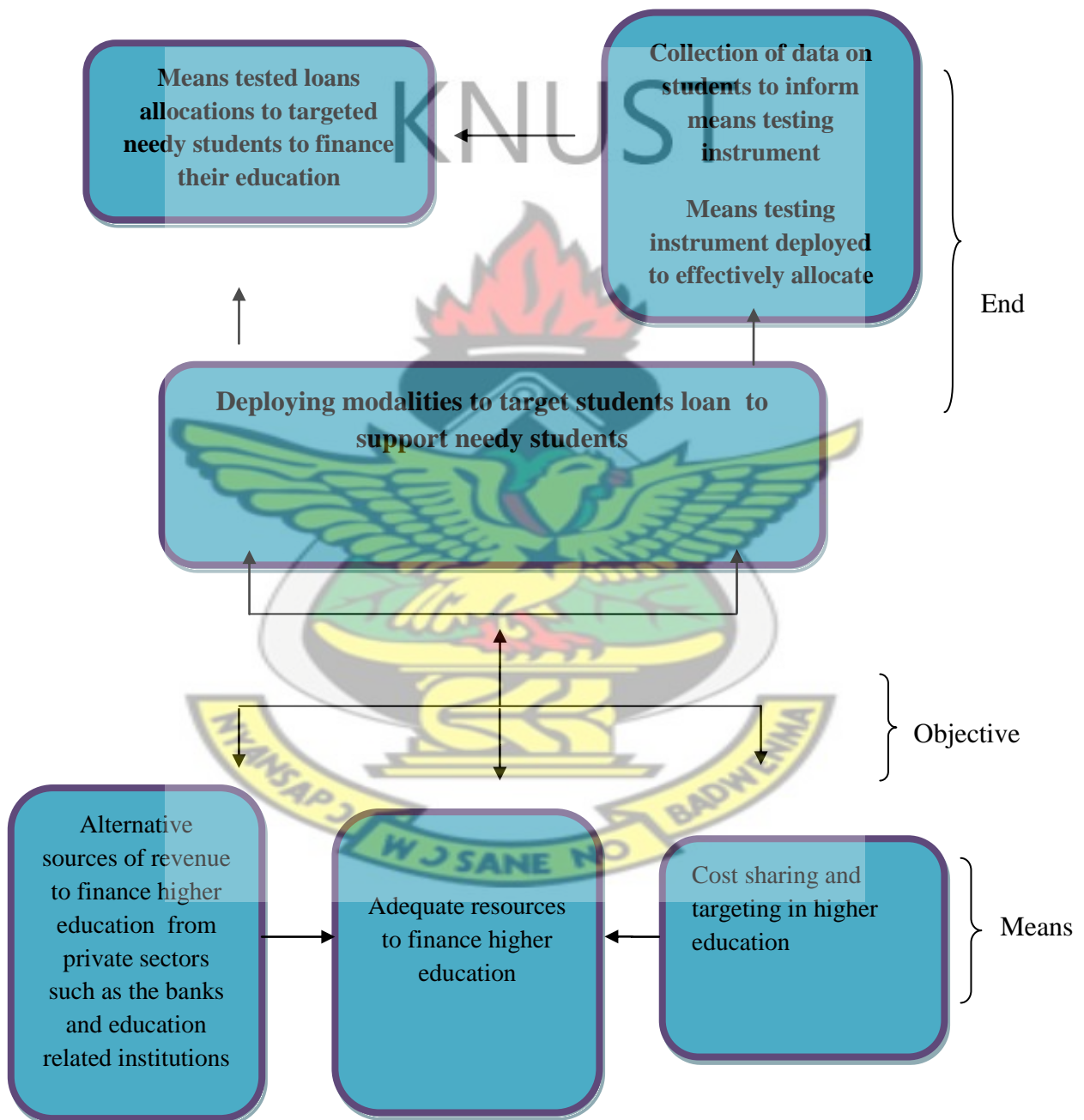
Figure 2.2: Objective Tree Analysis (Source: Author's Own Construct, July 2012)

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2.9.4 Conclusion of Review of Related Literature

From the discussions of literature so far, it is obvious that available literature replicates the fact that, though student loans exist in both developed and developing countries such as Chile, China, South Africa, Sweden, Tanzania and Kenya, there are different modalities in allocating these funds to tertiary students.

Moreover, it came to light that, in Ghana though there has been a gamut of research work on financing higher education, little has been said on the allocation of means testing of student loans. This research work therefore seeks to add to existing literature while exploring how student loans are allocated to tertiary students via the means testing methodology in Ghana.
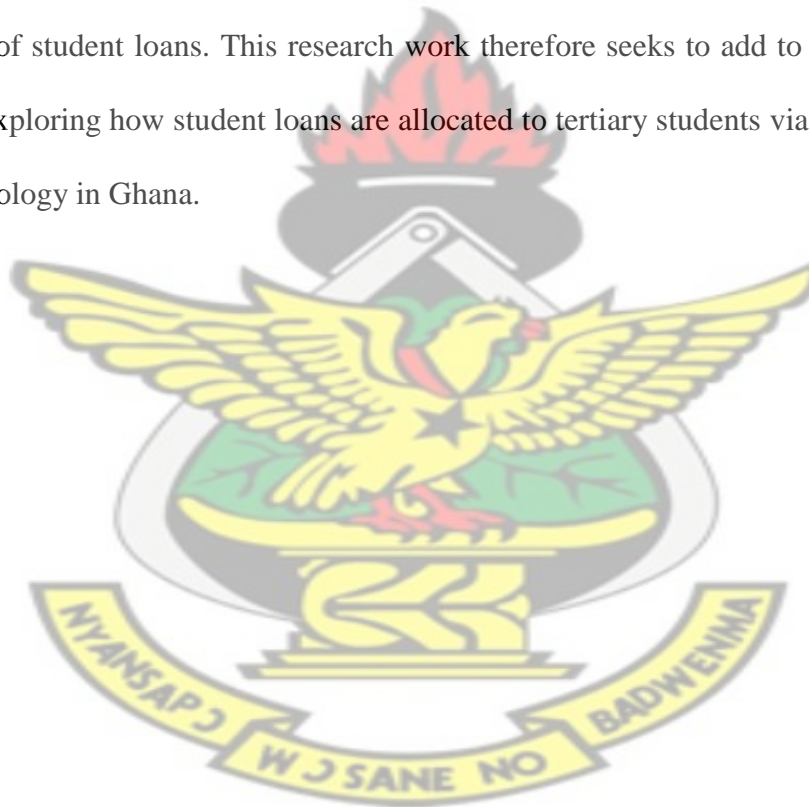
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlines the research methodology which was used to address the objectives previously listed. Under this section, the research design, study population, sample and sampling techniques, data collection methods and techniques for data analyses were discussed. It also presents a brief profile of the organization-SLTF. The unit of analysis comprises purposively selected key-informants from SLTF. The units of analysis were also made up of fresh loan applicants of the students loan scheme for 2011/12 academic year obtained from the SLTF's database .

3.2 Research Design

The study design used in this work was the cross-sectional design (Leedy and Omrod, 2005; Neuman, 2006). It employed both the qualitative and quantitative research designs.

3.3 Study Population

All tertiary institutions under the SLTF constitutes the population for this study. The target population for the study comprised tertiary students who applied for loans for the 2011/12 academic year obtained from SLTF's database. The reason why this target population was used for this study is because the SLTF has introduced the means tested loans in the 2011/12 academic year. The study population also comprised key officials

of the Operations Department of the Students Loan Trust Fund, who were purposively selected for key-informant interviews.

3.4 Sample and Sampling Techniques

A purposive sampling technique was employed in selecting the key-informants from the SLTF for the study. These officials were purposively selected due to their in-depth knowledge in the application processes, allocation and the disbursement of students loan to tertiary students at the organization. Due to the unique characteristics of the data obtained from SLTF on the applicants who applied for students loan for the 2011/12 academic year, the researcher used the purposive sampling technique on the entire dataset of loan applicants obtained from the SLTF for the study.

3.4.1 Sampling and Sample Size

The entire dataset on loan applicants for the 2011/12 academic year was purposively used, to give a fair representation of all loan applicants who are studying in both private and public tertiary institutions and have diverse financial needs. In all, a total of 4,324 fresh loan appplicants for the 2011/12 academic year in the SLTF database were used for the study.

The study also conducted key-informant interviews with two (2) representatives purposively selected from SLTF. This is because of their in-depth knowledge on issues concerning higher education financing in Ghana, modalities in students loan adminstration and factors influencing the application, allocation and disbursements of students loan among others.

The issue of limited resources, time available for the study and large student numbers enrolled at the various tertiary institutions who the researcher could have sampled their opinions with respect to the research topic, makes the chosen sampling methods appropriate for the study.

In summary, the total sample size for the study comprised 4,324 fresh loan applicants for the 2011/12 academic year on the SLTF database and 2 key informants used in the key-informant interviews held at the SLTF Office.

3.5 Data Collection Methods

Qualitative data were collected using key-informant interviews. The key-informant interviews were conducted with the help of an interviewing guide. In addition, quantitative data on loan applicants for the 2011/12 academic year were obtained from SLTF's database for analysis.

3.5.1 Sources of Data

Data for the study were collected from both primary and secondary sources. The main instruments used for the primary data collection were key-informant interviews. Secondary data were primarily obtained from SLTF's database, annual reports, previous surveys which had been conducted, journals, published works, newspaper publications and search engines or websites among others.

3.6 Methods of Data Analysis and Presentations

Both quantitative and qualitative data analyses methodologies were used to analyse the data collected from SLTF. Data analysis were carried out using Statistical Package for the Social Sciences (SPSS). Descriptive statistics in the form of frequencies and relative percentages were generated to aid the discussions and analysis of results, while frequency tables, cross tabulations, pie and bar charts were used to present the data collected.

3.6.1 Ethical Considerations

The researcher observed certain ethical principles in conducting this study. Confidentiality and anonymity were guaranteed in the usage of the dataset obtained for the study, while all references used in the study were duly acknowledged. In addition, the objectives and overall purpose of the study were made known to the respondents before proceeding with the key-informant interviews.
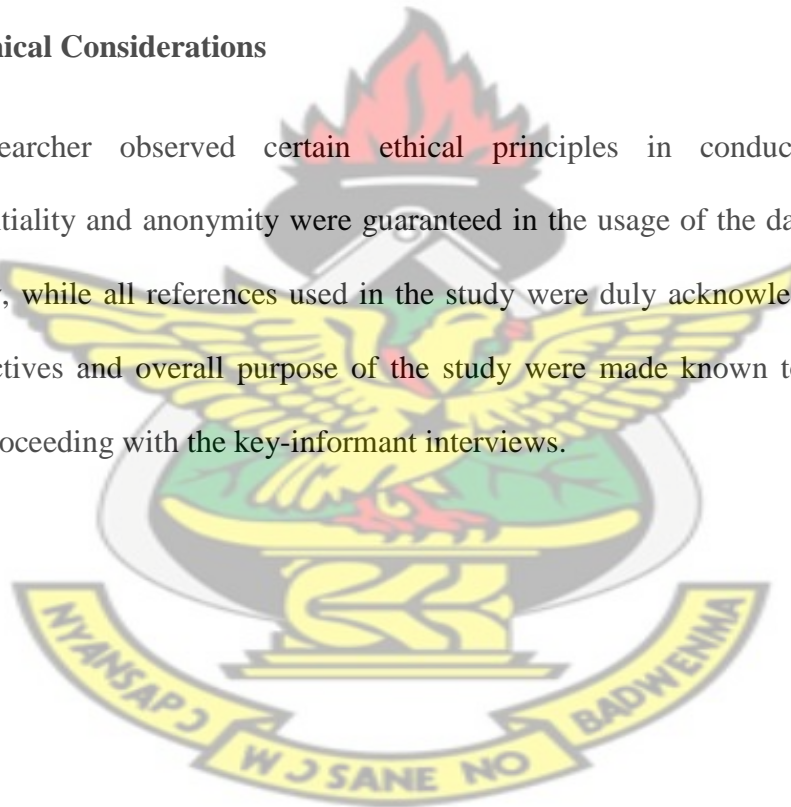
CHAPTER FOUR

PRESENTATION OF DATA AND ANALYSIS

4.1 Introduction

This chapter entails the analysis of data collected as well as results of the study. Both qualitative and quantitative data were solicited from SLTF for the analysis of the study.

The qualitative data which were collected were analysed using in-depth analysis. The quantitative data comprising of dataset on students who applied for loans in the 2011/12 academic year was obtained from SLTF as a Microsoft excel file.

The data obtained from SLTF includes the responses to the variables in the dataset. These responses were used in coding the variables and analysed with the aid of SPSS. Frequency tables, pie and bar charts were also used to present the data obtained from the dataset for further interpretation. The units of analyses were fresh loan applicants for the 2011/12 academic year on the SLTF's database and representatives of the Operations Department of the SLTF. Study objectives and research questions posed in the study were addressed through univariate and bivariate analysis of some of the data obtained for the study.

4.2 Presentation and Discussions of Findings

The findings of the analysis were discussed with respect to some of the socio-economic characteristics and indicators of the wealth status of loan applicants in order to identify their need levels.

4.2.1 Analyses of Demographic and Socio-economic Characteristics of Loan Applicants

In this section frequency tables and cross-tabulations were used to present and compare the relationship between some of the background variables of loan applicants such as age, gender, region of birth, highest educational attainments, disabilities and orphanage status among others.

4.2.1.1 Age Distribution of Loan Applicants

Age is an important variable in this analysis since it defines the category of loan applicants investigated. From Table 4.2.1.1, it can be observed that, most (3,509) of the fresh loan applicants in the dataset representing 81.2%, fall within 21-25 and 26-30 age groupings. However, the modal age of loan applicants was 22 years while the average age of the fresh loan applicants was 24 years. The analysis also revealed that, the minimum age of the means tested loan applicants was 16 years, while the maximum age was 51 years.

Table 4.2.1.1: Age Distribution of Loan Applicants

Age Grouping (in completed years)	Frequency	Percentage (%)
16-20	353	8.16
21-25	2,549	58.95
26-30	960	22.20
31-35	317	7.33
36-40	90	2.08
41-45	38	0.88
46-50	16	0.37
51+	1	0.02
Total	**4,324**	**100 %**

Source: SLTF 2011/12 Fresh Applicants Dataset, July, 2012.

4.2.1.2 Gender of Loan Applicants

It was found out from the analysis of the loan applicants for the 2011/12 academic year in SLTF's dataset that, out of a total population of 4,324 fresh loan applicants, majority (3,605) representing 83% were males, while 719, constituting 17% were females as shown in Figure 4.2.1.2.
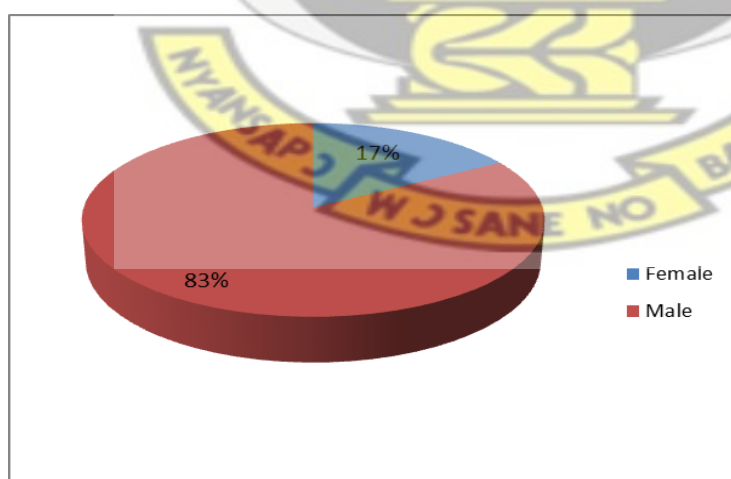
Figure 4.2.1.2: Gender Distribution of Loan Applicants

Source: SLTF 2011/12 Fresh Applicants Dataset, July, 2012.

4.2.1.3 Region of Birth of Loan Applicants

It was realised from the analysis that, sixty percent (60%) of the applicants who applied to join the loan scheme were born in the Greater Accra, Ashanti, Eastern and Volta regions of Ghana.

It was also observed that, in the three (3) Northern regions, the number of applicants for the means tested loans were 686, representing 8.6% for the Northern region, 124 (2.9%) for the Upper West and 2 (4.4%) in the Upper East regions for the 2011/12 academic year. Figure 4.2.1.3 depicts the findings.
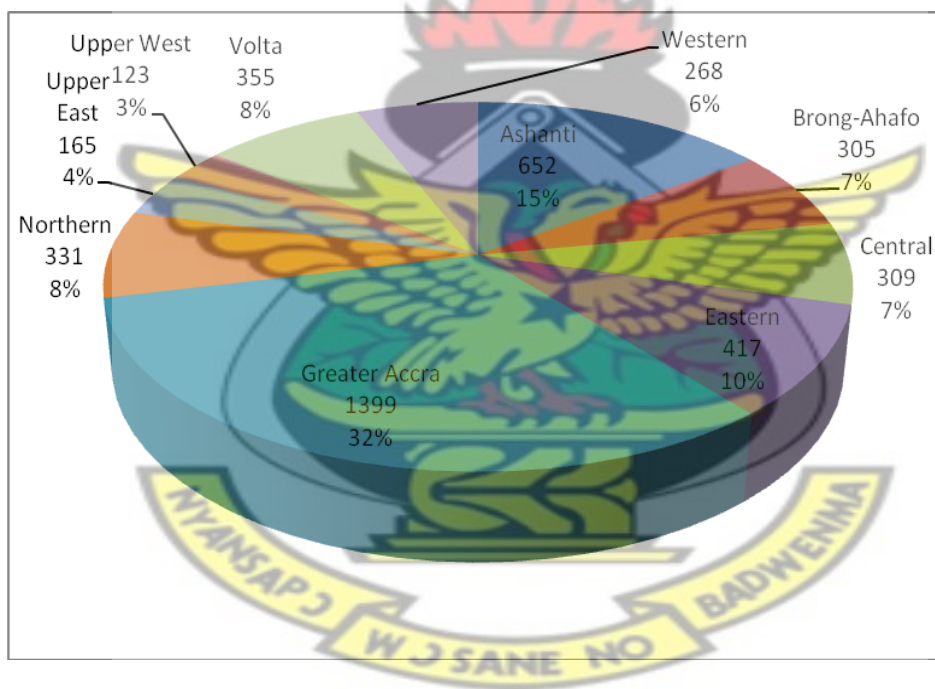
Figure 4.2.1.3: Region of Birth of Loan Applicants

Source: SLTF 2011/12 Fresh Applicants Dataset, July, 2012.

4.2.1.4 Locality of Residence of Loan Applicants

The results of the analysis on some of the demographic characterisitics of the loan applicants such as locality of residence, showed that, out of the 4,324 loan applicants in the dataset used for the study, more than one third (1,869) of them, representing 43% were living in Urban areas as portrayed in Figure 4.2.1.4. About 29% of the loan applicants in the dataset used for this analysis, indicated that, their locality of residence were in Regional Capitals of Ghana, which was almost equal to those residing in Rural localities (28%). The implication is that, most of the loan applicants are not actually living in rural communities which are often considered as deprived areas or not having access to adequate educational facilities.
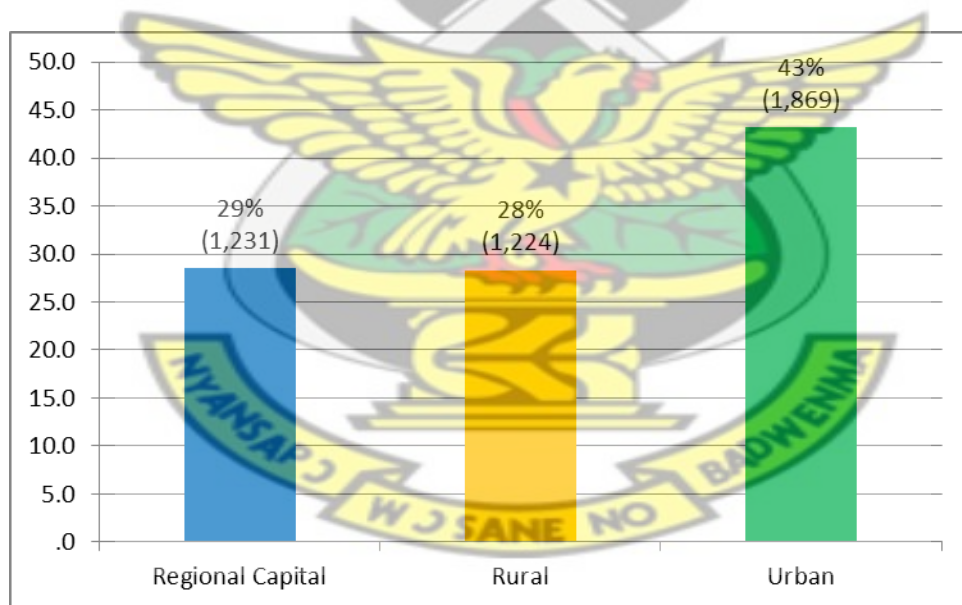
Figure 4.2.1.4: Locality of Residence of Loan Applicants

Source: SLTF 2011/12 Fresh Applicants Dataset, July, 2012.

4.2.1.5 Region of Permanent Residence by Locality of Residence of Loan Applicants

From Table 4.2.1.5, it can be observed that, majority (3,100) of applicants representing 72% were residing in regional capitals and urban localities. However, out of those who stated that, they reside in rural localities, most (630) making 51% of them were in Ashanti, Volta, Eastern and Northern regions of Ghana.

Table 4.2.1.5: Region of Permanent Residence by Locality of Residence of Loan Applicants

Region of Permanent Residence	Locality of Residence of Loan Applicants						Total	
	Regional Capital		Urban		Rural			
	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Ashanti	209	16.98	286	15.30	157	12.83	652	15.08
Brong-Ahafo	49	3.98	132	7.06	124	10.13	305	7.05
Central	28	2.27	144	7.70	137	11.19	309	7.15
Eastern	90	7.31	166	8.88	161	13.15	417	9.64
Greater Accra	533	43.30	797	42.64	69	5.64	1,399	32.35
Northern	112	9.10	70	3.75	149	12.17	331	7.65
Upper East	30	2.44	42	2.25	93	7.60	165	3.82
Upper West	63	5.12	9	0.48	51	4.17	123	2.84
Volta	71	5.77	121	6.47	163	13.32	355	8.21
Western	46	3.74	102	5.46	120	9.80	268	6.20
Total	**1,231**	**100**	**1,869**	**100**	**1,224**	**100**	**4,324**	**100**

Source: SLTF 2011/12 Fresh Applicants Dataset, July, 2012.

4.2.1.6 Marital Status of Applicants

It is an undeniable fact that, marital status of loan applicants could influence their need for a loan. From the analysis as shown in Table 4.2.1.6, it was observed that, more than half of the loan applicants (3,995) in the dataset obtained from the Students Loan Trust Fund indicated that, they were either never married or single. Only 323 applicants, constituting 7.5% of the total number of 4,324 applicants from the dataset were married. This implies that, most of the applicants in the dataset will not get any financial support from a spouse.

Table 4.2.1.6: Marital Status of Loan Applicants

Marital Status	Frequency	Percentage
Cohabiting	1	0
Divorced	1	0
Married	323	7.5
Single or Never Married	3,995	92.4
Separated	3	0.1
Widowed	1	0
Total	**4,324**	**100%**

Source: SLTF 2011/12 Fresh Applicants Dataset, July, 2012.

4.2.1.7 Applicants Disability

Majority of the applicants in the dataset obtained from the SLTF, 4,302 representing 99.5% applicants indicated that, they had no form of disability. However only 22 (0.5%) of the loan applicants indicated that, they had various forms of disabilities such as physical disability, hearing, speech and visual impairments as shown in Table 4.2.1.4.

Table 4.2.1.7: Disability of Applicants

Disability of Applicants	Frequency	Percentage (%)
Hearing Impairment	1	0
No form of Disability	4,302	99.5
Physical Disability	11	.3
Speech Impairment	1	0
Visual Impairment	9	.2
Total	**4,324**	**100**

Source: SLTF 2011/12 Fresh Applicants Dataset, July, 2012.

4.2.1.8 Highest Educational Status of Loan Applicants

Overall, it was observed from the dataset used for the analysis of loan applicants for the 2011/12 academic year that, majority of the total loan applicants 3,670 representing (84.9%) were secondary school graduates. The figures recorded in Figure 4.2.1.8 shows that, only 2% of the loan applicants had attained Professional or A' Level certificates. The apriori expectation was that, most of the applicants should be secondary school graduates and this was confirmed from the analysis as depicted in Figure 4.2.1.8.
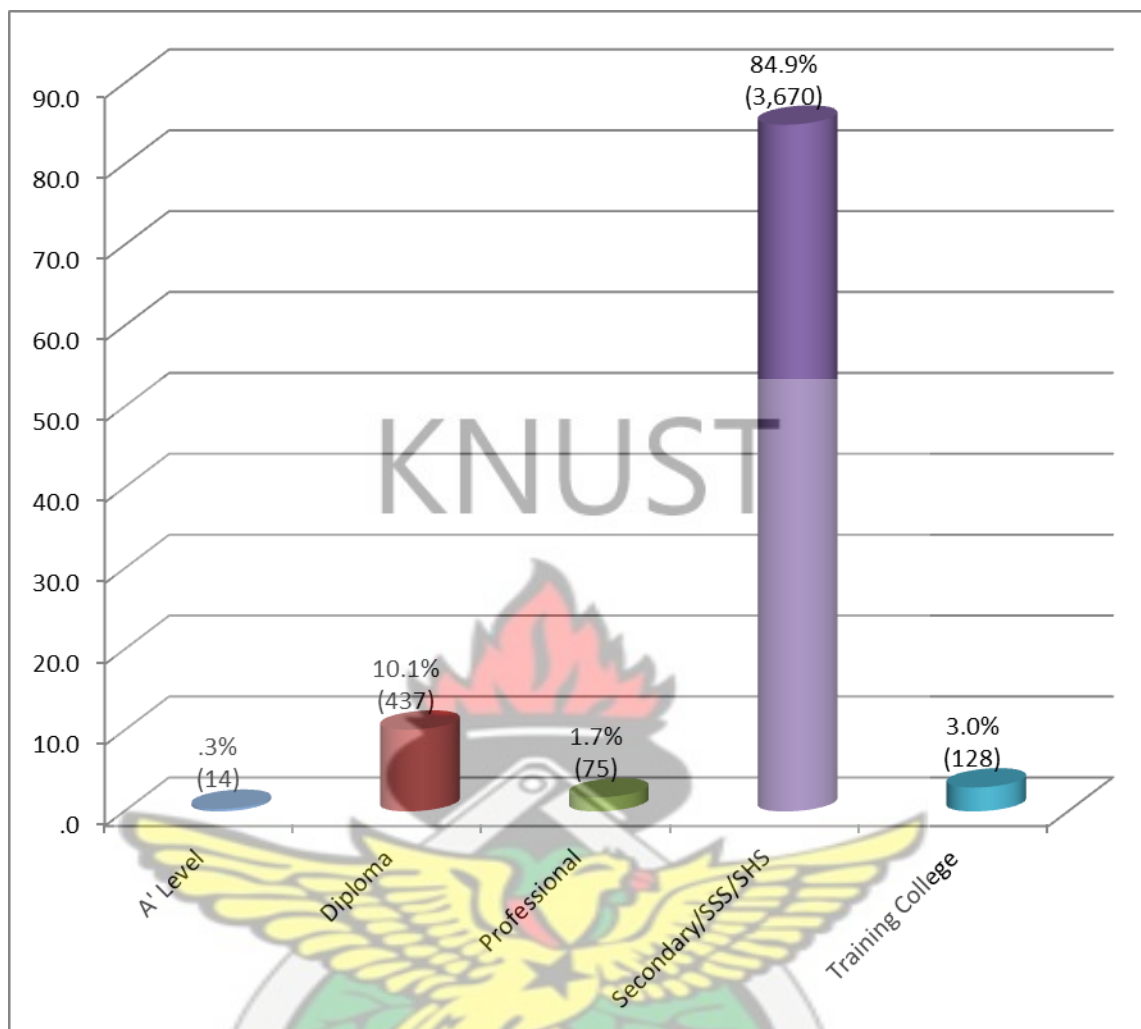
Figure 4.2.1.8: Highest Educational Status of Loan Applicants

Source: SLTF 2011/12 Fresh Applicants Dataset, July, 2012.

4.2.1.9 Orphanage Status of Loan Applicants

Data was also analyzed on the orphanage status of applicants and the stage of their education when they became orphaned. The study showed that, over half (3,440) constituting 79.6%, of the loan applicants indicated that, they have not lost any of their parents. Only 17.5% of loan applicants who were orphaned in the dataset mentioned that, they had lost at least one of their parents. Further, it was found that, 14 (11.3%) of

the applicants lost both parents before their basic schooling. 34 (16.5%) were orphaned whilst in basic school, 37 (29.8%) lost both mother and father whilst in secondary school and 39 (31.5%) of them lost both parents after secondary school as depicted in Table 4.2.1.9.

Table 4.2.1.9: Orphanage Status of Loan Applicants

Which of Applicant's Parent's are Deceased	Stage of Education when Applicant was Orphaned					Total
	After Secondary School	Before Basic Schooling	None	Whilst In Basic School	Whilst In Secondary School	
Both Father and Mother	39	14	0	34	37	124
Father Only	178	101	0	205	133	617
Mother Only	46	20	0	40	37	143
None	0	0	3,440	0	0	3,440
Total	**263**	**135**	**3,440**	**279**	**207**	**4,324**

Source: SLTF Loan Fresh Online Applicants Database, July, 2012

4.2.1.10 Highest Educational Level by Employment Status of Applicants

The Table 4.2.1.10 portrays the highest educational level by employment status of applicants. From the analysis, it was observed that, majority (3,379) representing 86% of loan applicants who had attained secondary school education indicated that, they were unemployed. On the other hand, only 31 (10.8%) of the applicants who indicated that, they were in full time employment were having Degree, Professional and A'Level Certificates.

Table 4.2.1.10: Highest Educational Level by Employment Status of Applicants

Highest Educational Level of Loan Applicants	Applicant Employment Status			Total
	Employed Full Time	Unemployed	Working Part-Time	
A' Level	1	11	2	14
Degree	7	105	3	115
Diploma	86	328	23	437
Professional	23	48	4	75
Secondary/SSS	99	3,379	77	3,555
Training College	69	55	4	128
Total	**285**	**3,926**	**113**	**4,324**

Source: SLTF 2011/12 Fresh Applicants Database, July, 2012

4.2.1.11 Proprietorship Status of Applicant's Previous Schools Attended (Primary, JHS, SHS)

From the pie chart in Figure 4.2.1.11, it can be seen that, about 86% of the loan applicants attended public schools in their previous educational levels. Only 14% of applicants in the dataset used for the analysis mentioned that, they attended private institutions in their primary, basic and secondary school levels.
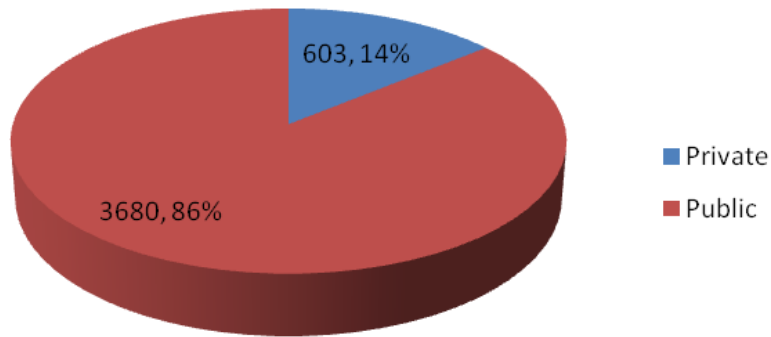
Figure 4.2.1.11: Proprietorship Status of Previous Schools Attended by Loan Applicants Source: SLTF 2011/12 Fresh Applicants Database, July, 2012

4.2.1.12 Locality of Loan Applicant's Previous Schools Attended

82% of most loan applicants had their previous schools located in urban areas while only 3% attended their previous schools in regional capitals. 15% of the loan applicants stated that, the previous schools they attended were located in rural communities as potrayed in Figure 4.2.1.12.
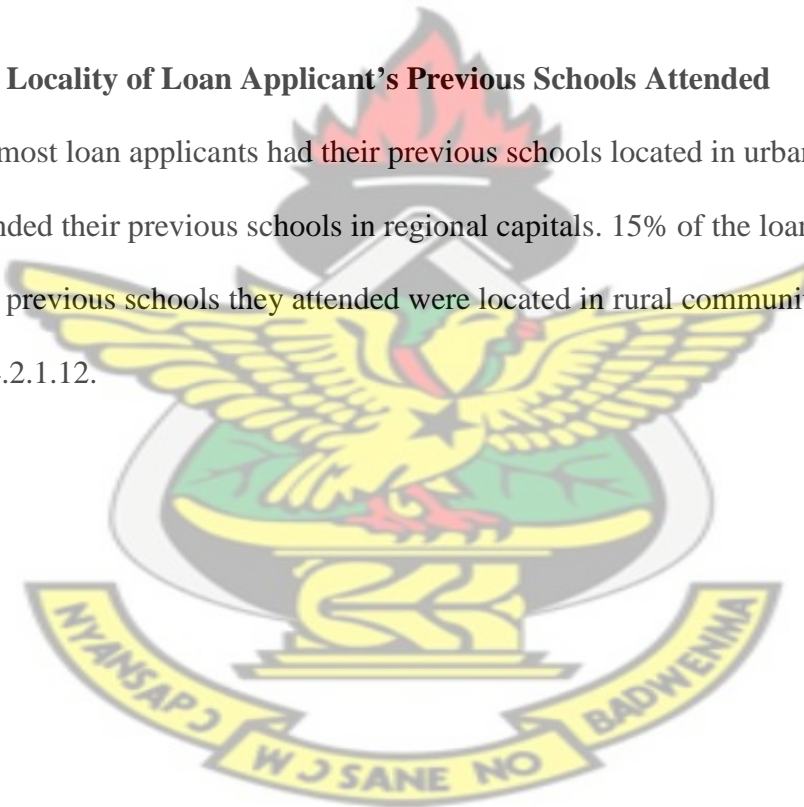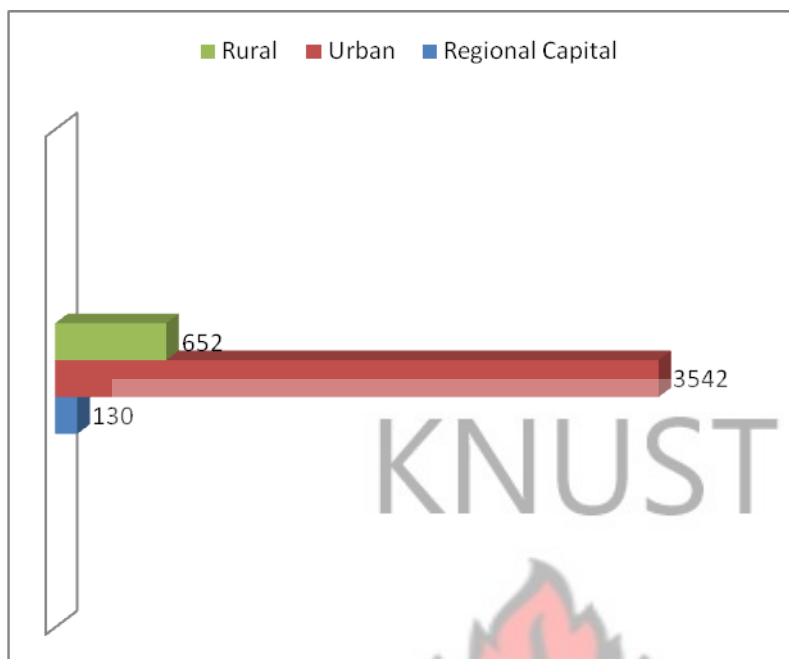
Figure 4.2.1.12: Locality of Applicant's Previous Schools Attended

Source: SLTF 2011/12 Fresh Applicants Database, July, 2012

4.2.2 Analysis of Current Institution of Loan Applicants

4.2.2.1 Proprietorship Status of Institutions where Applicants are Currently Studying

In Figure 4.2.2.1, it can be observed that, majority of the loan applicants in the dataset obtained from the Students Loan Trust Fund, representing 90% were in public tertiary institutions. This finding could serve as a basis for further research to find out why there are few loan applicants from the private tertiary institutions.
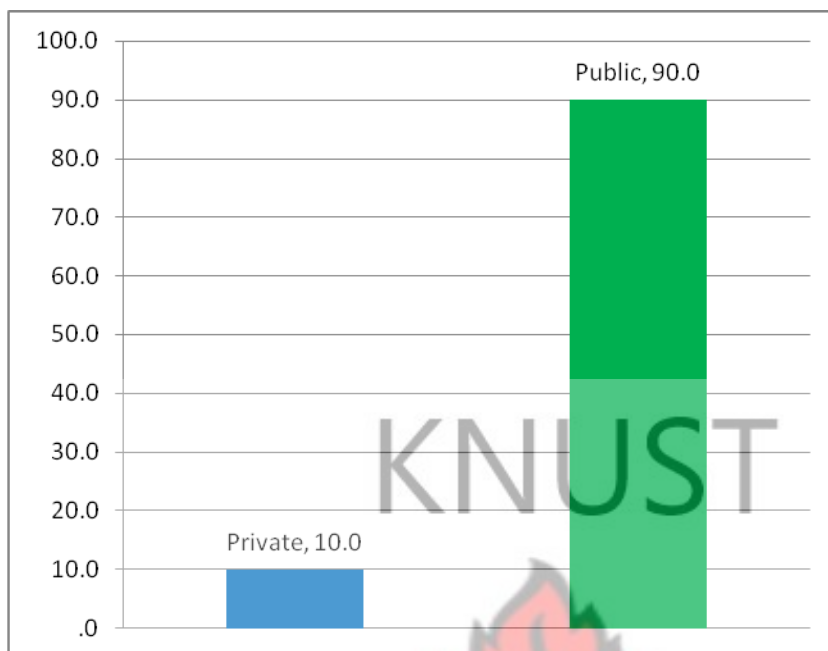
Figure 4.2.2.1: Proprietorship Status of Institutions where Applicants are currently Studying

Source: SLTF 2011/12 Fresh Applicants Dataset, July, 2012.

4.2.2.2 Level of Study of Applicants in Tertiary Institutions

As depicted in Figure 4.2.2.2, more than half of the loan applicants, representing 60% were first year students in Level 100. 1,324 loan applicants making up for 31% were in Level 200, while 8.3% were third year students. Less than one percent of the first time loan applicants who were analyzed were in their final year (level 400).
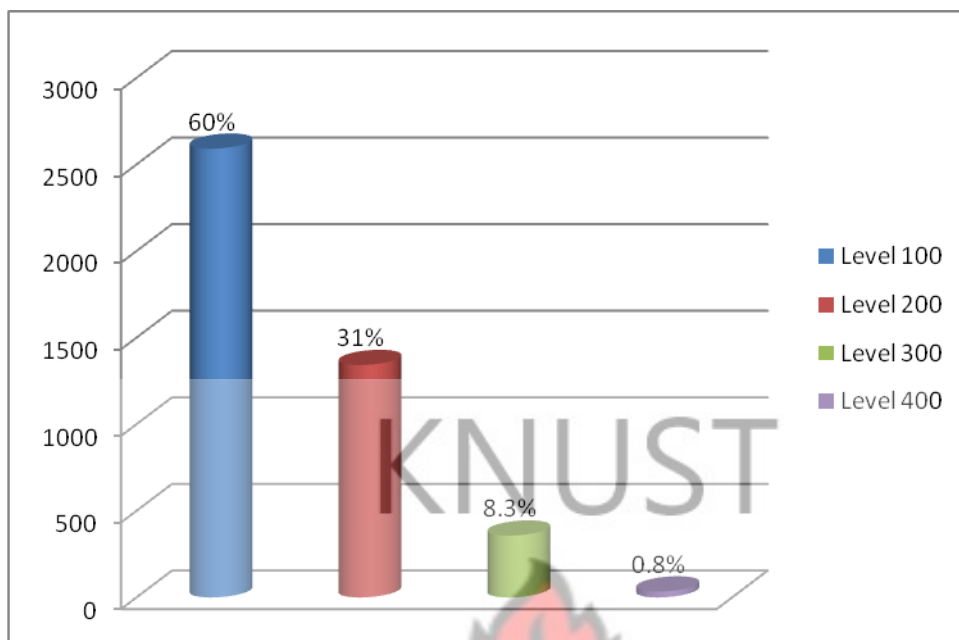
Figure 4.2.2.2: Level of Study of Applicants in Tertiary Institutions

Source: SLTF 2011/12 Fresh Applicants Dataset, July, 2012.

4.2.2.3 Course of Study by Gender Distribution of Loan Applicants

In order to find out the gender distribution the fresh loan applicants for the 2011/12 academic year by their various courses of study, a cross tabulation was done. Over all, there were 2,062 applicants constituting 47.6%, offering Social Science or Business Courses.

The researcher also observed that, for all the programmes of study, there were more males than females. It may be attributed to the fact that, there is a gender disparity in the enrollment figures in tertiary institutions, coupled with the low uptake of loans by the female students as compared to the males.

Table 4.2.2.3 Course of Study by Gender Distribution of Loan Applicants

Course of Study	Gender Distribution of Loan Applicants		Total
	Female	Male	
Agric	8	167	175
Arts	116	386	502
Catering/Fashion Design	34	11	45
Engineering	13	424	437
Medicine	11	54	65
Other Sciences	130	908	1,038
Social Science/Business	407	1,655	2,062
Total	**719**	**3,605**	**4,324**

Source: SLTF 2011/12 Fresh Applicants Dataset, July, 2012.

4.2.2.4 Need Category by Course of Study at Current Institution

Findings from the analysis as depicted in Table 4.2.2.4 revealed that, most of the loan applicants (1,232) representing 60%, pursuing social science and business courses of study at the various tertiary institutions, fell within the average need categories when their needs were assessed by SLTF.

As portrayed in Table 4.2.2.4, it was observed that, majority (60%) of the applicants who were assigned to the most needy category (Category 10), were students pursuing Social Science, Business and Other Sciences. The analysis also revealed that, there was no applicant in the least needy category (Category 1).

Table 4.2.2.4 Categories of Need Assessment by Course of Study of Loan Applicants

Categories of Need Assessment	Course of Study							Total
	Agric	Arts	Catering/ Fashion Design	Engineering	Medicine	Other Sciences	Social Science/ Business	
Category 1 (Least Needy)	0	0	0	0	0	0	0	0
Category 2	1	0	0	2	0	2	2	7
Category 3	4	26	5	15	5	29	57	141
Category 4	21	95	10	77	18	177	320	718
Category 5	50	121	10	143	17	297	595	1,233
Category 6	46	138	9	112	19	262	637	1,223
Category 7	31	75	10	56	5	168	302	647
Category 8	17	31	1	26	1	73	106	255
Category 9	3	12	0	4	0	24	37	80
Category 10 (Most Needy)	2	4	0	2	0	6	6	20
Total	**175**	**502**	**45**	**437**	**65**	**1,038**	**2,062**	**4,324**

Source: SLTF 2011/12 Fresh Applicants Dataset, July, 2012.

4.2.2.5 Orphanage Status of Loan Applicants by Proprietorship Status of Tertiary Institution

From the analysis as depicted in Table 4.2.2.5, it was revealed that, while 88% of the orphans were currently studying in public tertiary institutions, 12% were in private schools. Besides there were more applicants who have lost only a father in public instituions than their counterparts in private institutions.

Table 4.2.2.5 Orphanage Status of Loan Applicants by Proprietorship Status of Tertiary Institution

Which of Applicant's Parent's are Deceased	Proprietorship Status of Tertiary Institution				Total	
	Private		Public			
	Freq.	%	Freq.	%	Freq	%
Both Father and Mother	13	3.02	111	2.85	124	2.87
Father Only	78	18.10	539	13.85	617	14.27
Mother Only	17	3.94	126	3.24	143	3.31
None/No parent deceased	323	74.94	3,117	80.07	3,440	79.56
Total	431	100	3,893	100	4,324	100

Source: SLTF 2011/12 Fresh Applicants Dataset, July, 2012.

4.2.3 Analyses of Socio-Economic Characteristics of Applicant's Parents/Guardian

In this section, frequency tables and cross tabulations were used to present and compare the relationship between some of the socio-economic characteristics of applicant's parents/guardian such as highest educational attainment and employment among others.

4.2.3.1 Educational Background of Applicant's Father and Mother

From the dataset obtained from SLTF for the 2011/12 fresh loan applicants, it was observed that, less than half (48%) of fathers' of applicants who are alive have no formal education or had attained highest education at the JSS level. On the other hand, 67% of loan applicants who have their mother's alive indicated that, their mothers had no formal education or had attained education to only the JSS level. Details of these findings are shown in Figure 4.2.3.1.1 and Figure 4.2.3.1.2.
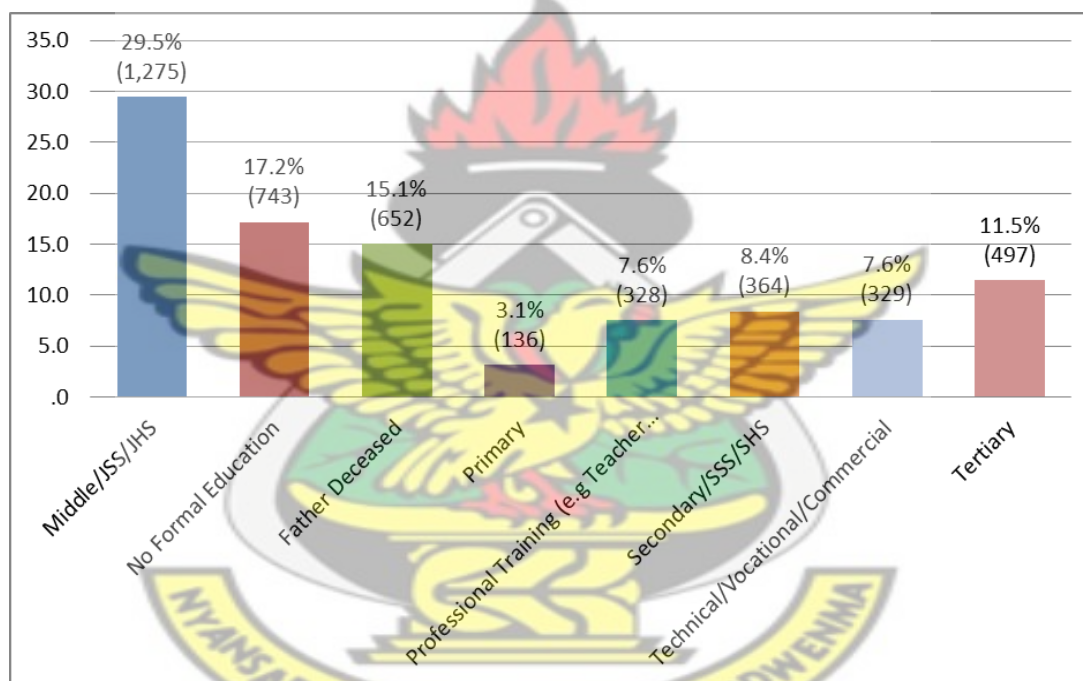
Figure 4.2.3.1.1: Highest Educational Level of Applicant's Father

Source: SLTF 2011/12 Fresh Applicants Database, July, 2012
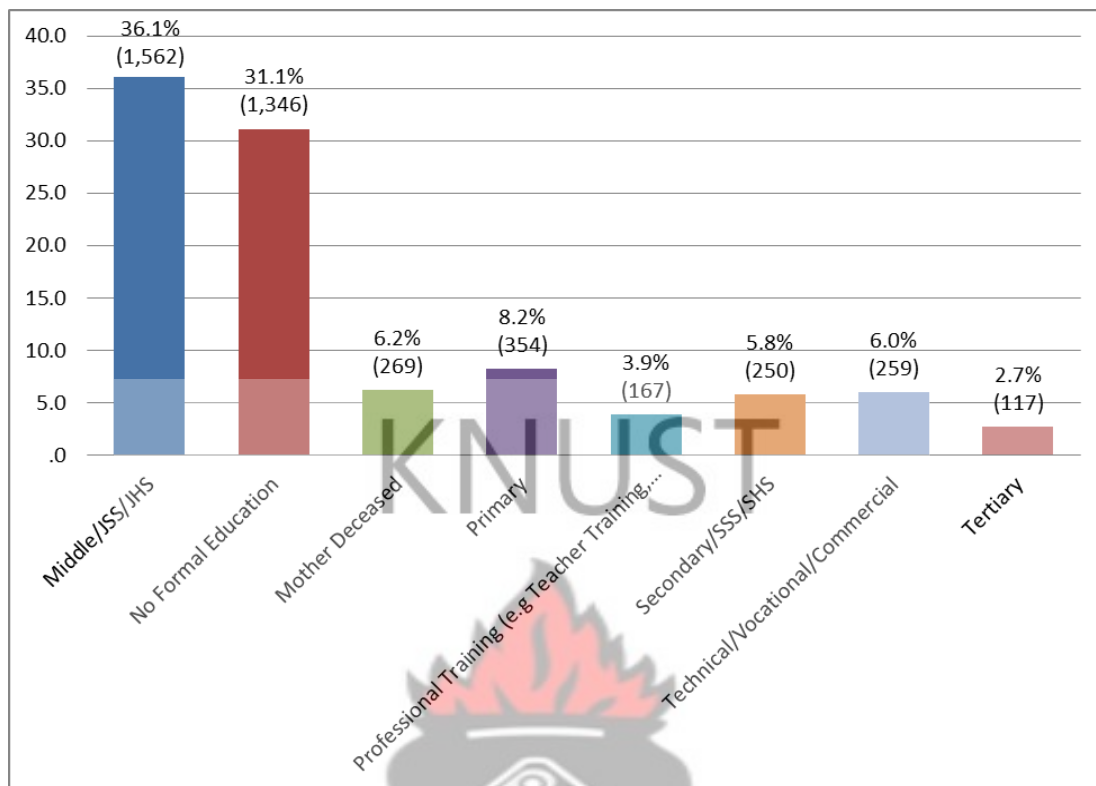
Figure 4.2.3.1.2: Highest Educational Level of Applicant's Mother

Source: SLTF 2011/12 Fresh Applicants Database, July, 2012

4.2.3.2 Cross Tabulation of Employment Status of Mother by that of Father

From the dataset obtained for the analysis as shown in Table 4.2.3.2, it was observed that, out of 725 applicants who indicated that their father's were unemployed, 599 representing 83% of applicant's had their mother's unemployed.

Table: 4.2.3.2 Cross Tabulation of Employment Status of Mother by that of Father

Employment Status of Mother	Employment Status of Father					Total
	Employed Full-Time	N/A	Retired	Unemployed	Working Part-Time	
Employed Full Time	242	620	46	78	9	995
N/A	16	220	9	26	1	272
Retired	8	71	31	3	0	113
Unemployed	273	1,763	138	599	24	2,797
Working Part-Time	23	79	7	19	19	147
Total	**562**	**2,753**	**231**	**725**	**53**	**4,324**

Source: SLTF 2011/12 Fresh Applicants Database, July, 2012

4.2.4 Sponsor of Applicant's Education

4.2.4.1 Main Sponsor of Applicant's Upkeep in Previous School

From Figure 4.2.4.1, it was observed that, the main sponsor of loan applicant's upkeep in their previous education were both parents 1,650 (38.2%). Only 10.7% of the applicants indicated that, they catered for themselves in their previous education.
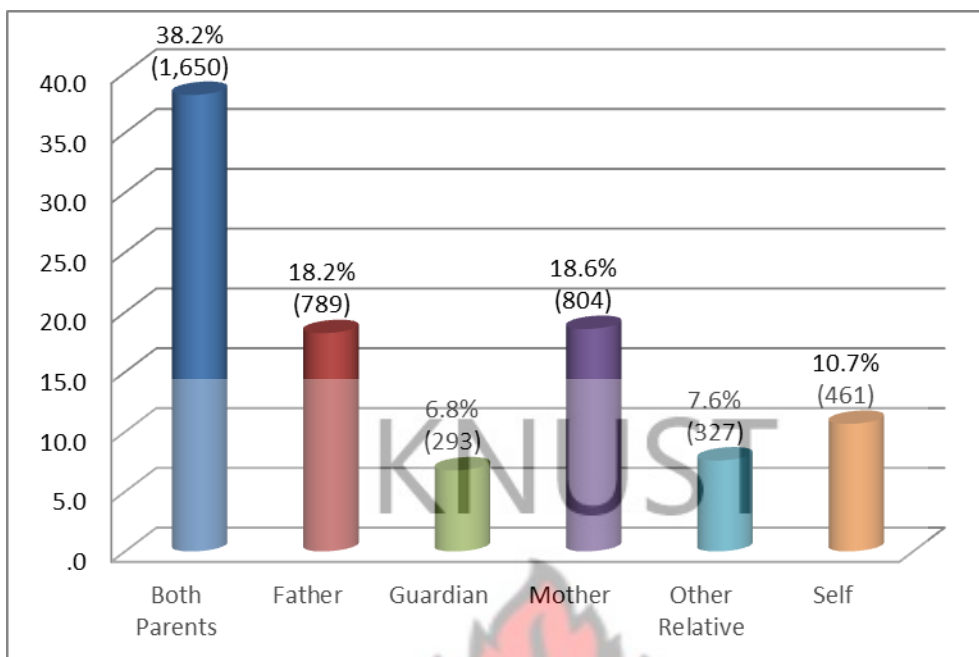
Figure 4.2.4.1: Main Sponsor of Applicant's Upkeep in Previous School

Source: SLTF 2011/12 Fresh Applicants Dataset, July, 2012.

4.2.4.2 Main Sponsor of Applicant's Fees in Previous School

The main sponsor of loan applicant's fees while in their previous level of education as observed from the dataset for fresh loan applicants of the SLTF for the 2011/12 academic year has been shown in Figure 4.2.4.2.
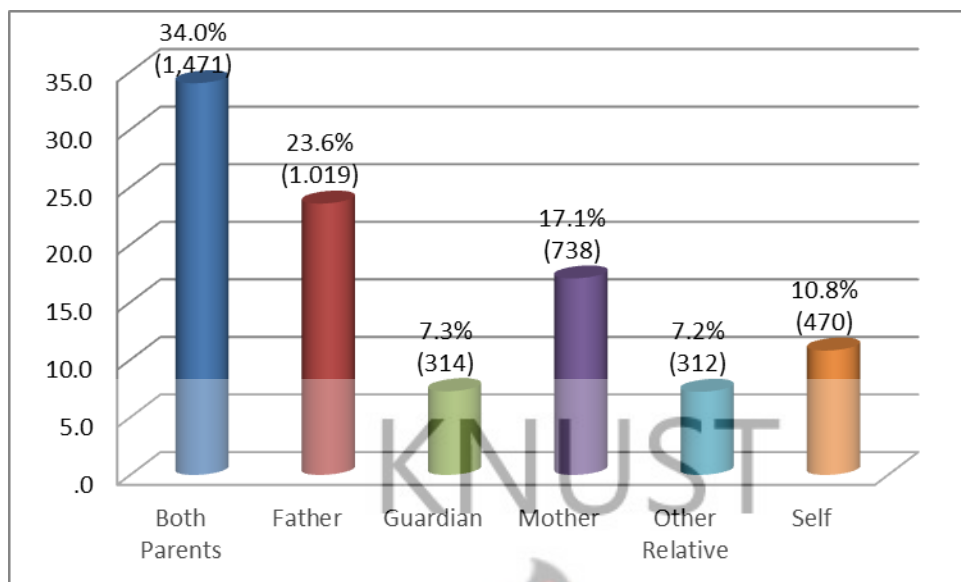
Figure 4.2.4.2: **Main Sponsor of Applicant's Fees in Previous School**

Source: SLTF 2011/12 Fresh Applicants Dataset, July, 2012.

4.2.5 Who Bears Applicant's Medical Expenditure

During the data analysis it was found that, as part of the assessment of the household burden of loan applicants, they were requested to state the one who bears their medical expenses. Table 4.2.5 indicated that, about half 2,032 (47%) of the applicants indicated that, they used NHIS to access healthcare, while 24.1% mentioned that, either their guardian or parents took care of their medical expenditure whenever they fell sick.

Table 4.2.5: Who Bears Applicant's Medical Expenditure

Applicant Medical Expenditure	Frequency	Percent
Guardian	217	5.0
Institution	186	4.3
NHIS	2,032	47.0
Other	192	4.4
Parent	828	19.1
Self	869	20.1
Total	**4,324**	**100.0**

Source: SLTF 2011/12 Fresh Applicants Dataset, July, 2012.

4.2.6 Applicant's Housing Information - Household Characteristics of Loan Applicants

4.2.6.1 Accommodation Status of Applicant's Household Residence

Figure 4.2.6.1 indicated that, out of the 4,324 loan applicants, 39.2% indicated that, their household were accommodated in Family houses. 20.7% were in their Own houses, 34.2% rented houses and 5.9% were in Unpaid Occupancy/Accomodation.
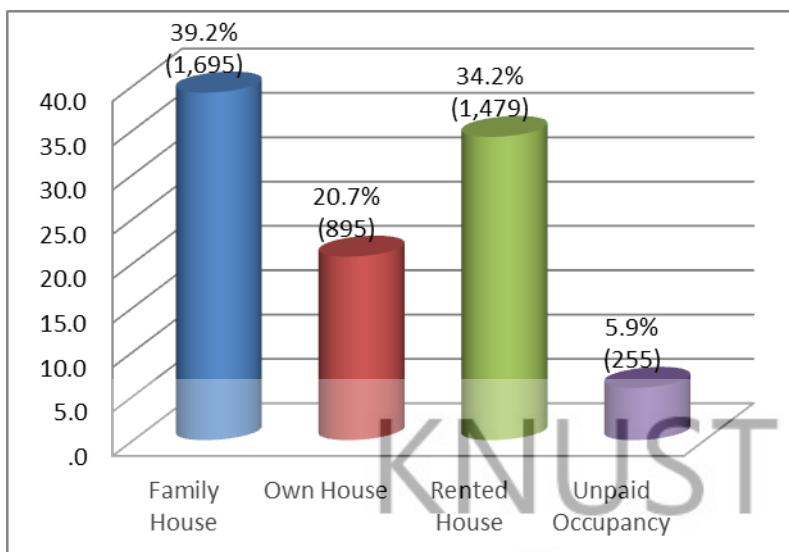
Figure 4.2.6.1: Accommodation Status of Applicant's Household Residence

Source: SLTF 2011/12 Fresh Applicants Dataset, July, 2012.

4.2.6.2 Roofing Material by Floor Material of Applicant's Household Residence

In the study, the housing materials used in housing of the applicants were also analysed in order to find out the inter-relationship between them. It was observed as depicted in Table 4.2.6.2 that, most (3,322) of the applicants, representing 77% indicated that, the main type of roofing material of their dwelling is Metal Sheets. 86% of the applicants mentioned cement or concrete as the main material used for the floors of their houses. While less than one percent (0.6%) of the applicants indicated that, the main material used for the roofing was wood, 0.3% of the applicants stated that, the main material used for floor of their homes was also made of wood.

50

Table 4.2.6.2: Type of Floor Material by Roofing Material of Applicant's Household Residence

Types of Floor Material of Household Residence	Types of Roofing Material of Household Residence							Total
	Asbestos	Cement/ Concrete	Metal Sheets	Mud	Roofing Tiles	Thatch	Wood	
Burnt Bricks	1	2	9	0	3	0	0	15
Cement/ Concrete	206	324	2,938	8	195	31	17	3,719
Ceramic/ Marble Tiles	10	8	73	0	16	0	1	108
Earth/Mud/ Mud Bricks	6	6	144	19	5	43	4	227
Stone	1	1	25	0	0	0	1	28
Terrazzo	20	22	85	0	23	0	2	152
Vinyl Tiles	7	5	39	1	11	0	0	63
Wood	1	1	9	0	0	0	1	12
Total	**252**	**369**	**3,322**	**28**	**253**	**74**	**26**	**4,324**

Source: SLTF 2011/12 Fresh Applicants Dataset, July, 2012.

4.2.6.3 Type of Floor Material by Wall Material of Applicant's Household Residence

From table 4.2.6.3, it can be seen that, the main type of wall material in most (3,681) applicants household was cement or sandcrete. This constituted 85% of the total number. However, 75% of the applicants claimed that, the type of material used for the construction of both the wall and floor of their houses were made of cement/concrete.

Table 4.2.6.3: Type of Floor Material by Wall Material of Applicant's Household Residence

Types of Floor Material of Household Residence	Types of Wall Materials of Household Residence							Total
	Burnt Bricks	Cardboard	Cement/ Sandcrete	Iron Sheets	Mud/ Mud Bricks	Stone	Wood/ Bamboo	
Burnt Bricks	1	0	13	0	1	0	0	**15**
Cement/ Concrete	45	2	3,256	16	354	12	34	**3,719**
Ceramic/ Marble Tiles	0	0	105	0	1	1	1	**108**
Earth/Mud/ Mud Bricks	2	1	79	1	136	3	5	**227**
Stone	0	0	20	0	5	2	1	**28**
Terrazzo	2	0	146	1	3	0	0	**152**
Vinyl Tiles	0	0	59	1	3	0	0	**63**
Wood	0	0	3	0	1	0	8	**12**
Total	**50**	**3**	**3,681**	**19**	**504**	**18**	**49**	**4,324**

Source: SLTF 2011/12 Fresh Applicants Dataset, July, 2012.

4.2.7 Household Assets and Amenities of Applicants

In Ghana, especially in most rural communities, assets such as farm, land and livestock among others are often used to measure the wealth of a family. From the dataset, it was observed that, household assets and amenities were one of the key components which were used in assessing the financial needs of the loan applicants at SLTF. Literature also confirms the fact that, most means tested students loan schemes in both developed and developing countries such as the Philippines, Germany, Canada, South Africa and Kenya, find it difficult to assess the wealth status of loan applicants using income as a main indicator (Tekleselassie and Johnstone, 2004). Hence household assets in most developing countries are used as indicators of wealth as in the case of SLTF.

The Table 4.2.7 catalogues the main household assets and amenities which were solicited from loan applicants by SLTF obtained from their dataset.

The Table 4.2.7 depicts the assets and amenities owned by at least a member of the applicant's household. It could be observed that majority, 4,108 (95%) of the loan applicant's indicated that none of their household members had shares. Out of the total number of applicants more than half (2,865) representing 66% of the applicant's stated that, at least a member of their household owns a Radio or Cassette Player. 69% of the applicants do not have any household member who owns a parcel of land. Details of other household assets and amenities are recorded in the Table 4.2.7.

Table 4.2.7 Household assets and amenities of applicants

Assets and Amenities owned by at least one member of the applicant's household	YES		NO	
	Frequency	Percent	Frequency	Percent
Shares	216	5.0	4,108	95.0
Mobile Phone	4,032	93.2	292	6.8
Sewing Machine	1,034	23.9	3,290	76.1
Motorcycle	556	12.9	3,768	87.1
Mattress or Bed	4,018	92.9	306	7.1
Kerosene or Gas Stove	360	8.3	3,964	91.7
Electric or Gas Stove	2,303	53.3	2,021	46.7
Sofa	1,685	39.0	2,639	61.0
Bicycle	1,293	29.9	3,031	70.1
Generator	215	5.0	4,109	95.0
Commercial Vehicle	266	6.2	4,058	93.8
Canoe or Boat	102	2.4	4,222	97.6
Fan	3,301	76.3	1,023	23.7
Watch or Clock	3,425	79.2	899	20.8
Video Deck or DVD	2,756	63.7	1,568	36.3
Personal Computer	1,676	38.8	2,648	61.2
Fixed Line	355	8.2	3,969	91.8
Stereo System	1,483	34.3	2,841	65.7
Cassette Player or Radio	2,865	66.3	1,459	33.7
Television	3,362	77.8	962	22.2
Refrigerator	2,533	58.6	1,791	41.4
Electric Iron	3,686	85.2	638	14.8
Own House(s)	1,662	38.4	2,662	61.6
Own Land(s)	1,328	30.7	2,996	69.3
Own Farm Plantation(s)	929	21.5	3,395	78.5

Source: SLTF 2011/12 Fresh Applicants Dataset, July, 2012.

4.2.8 Household Burden - Dependants of Applicant's Household

In building the means testing methodology the number of dependants of loan applicant's household and the number of these dependants who are in school were also considered. Therefore an analysis was done to identify how many of the loan applicants had dependants in their household. It was observed that, 66% of the loan applicants indicated that, they had dependants in school while 34% had no dependants currently in school as shown in Table 4.2.8. Implicit in this finding is the fact that, these other dependants would be competing for the same scarce household resources.

Table 4.2.8 Applicant's Household Dependant(s) Currently in School

Applicant's Household Dependants Currently in School	Frequency	Percent
No	1,484	34.3
Yes	2,840	65.7
Total	4,324	100.0

Source: SLTF 2011/12 Fresh Applicants Dataset, July, 2012.

4.2.9 Relationship of Household Dependant to Applicant

The number of dependants and number of siblings attending school contributes to household costs. This means that, funds available for applicant's educational needs may reduce in relation to the number of dependants. From the Table 4.2.9 it can be observed that, most applicants representing 58.6% indicated that, they do not have any household dependant. Only 30.1% out of the 4,324 loan applicants had direct siblings as household dependants

Table 4.2.9 Relationship of Household Dependant(s) to Applicant

Relationship of Dependant to Applicant	Frequency	Percent
Brother	770	17.8
Cousin	138	3.2
Daughter	85	2.0
Nephew	87	2.0
Niece	70	1.6
None	2,533	58.6
Sister	532	12.3
Son	109	2.5
Total	**4,324**	**100.0**

Source: SLTF 2011/12 Fresh Applicants Dataset, July, 2012.

4.3 Processes Involved in the Application, Allocation and Payment of Students Loan at SLTF

In a quest to answer the research question with regards to the processes involved in the application, allocation and payment of students loan at SLTF, an interview was conducted with the Loan Disbursement Manager of SLTF to solicit information on the above. It came out from the interview that, the processes for fresh applications were as follows:

1. The applicant completes a Loan Application Form (LAF) on SLTF's application web portal at http://www.sltf-ghana.org. The entries provided by applicants are validated by the system based on pre-defined rules.

2. The applicant downloads and prints a Summary of the completed LAF together with other documents such as Students Loan Agreement Form and SSNIT

Guarantors Deed of Agreement for completion and endorsement by a witness. Thumbprints of the Applicant and his/her Guarantor are required on these forms.

3. The applicant submits the completed and signed forms for validation and verification.

4. The submitted form is verified to meet qualification criteria. Some of the verifications performed are:

   a. All required information are provided by the applicant.

   b. Supporting documents are provided to support information provided by the applicant.

   c. Thumbprints are provided for both the Applicant and Guarantor.

   d. SSNIT number of the applicant conforms to the SSNIT number on the photocopy of the SSNIT card provided.

   e. E-zwich number of the applicant conforms to the E-zwich number on the photocopy of the E-zwich card provided.

5. If the application submitted by the Applicant does not meet the requirements the form would be rejected and the applicant informed to correct his/her entries if necessary.

6. If the application is accepted then the SSNIT information of the Applicant and his/her Guarantor (if the guarantor is a SSNIT Guarantor) would be sent to SSNIT for further verification. The Loan Disbursement Manager further explained that, SSNIT checks the following details:

   a. If the SSNIT number of the Applicant and Guarantor are correct and are their SSNIT numbers.

   b. If the Guarantor is eligible to guarantee for the Applicant.

7. Loan amounts for the academic year are generated for successful applicants based on means tested scores obtained by the applicants. This amount is paid for the academic year but disbursed in two (2) installments.

8. Approved loan amounts are disbursed to applicants who are currently in school through EPay and E-zwich payment platforms. Applicants who are not using E-zwich and have Bank Accounts are paid through the EPay payment system from Ecobank.

The above processes as elicited from the interview with the Loan Disbursement Manager are summarized in the flow chart in Figure 4.3.
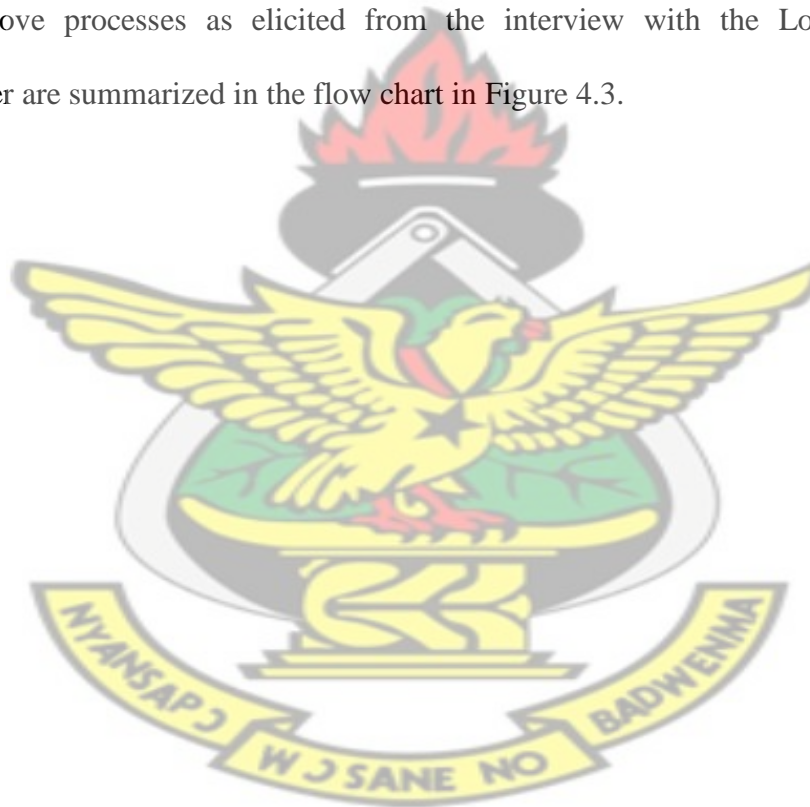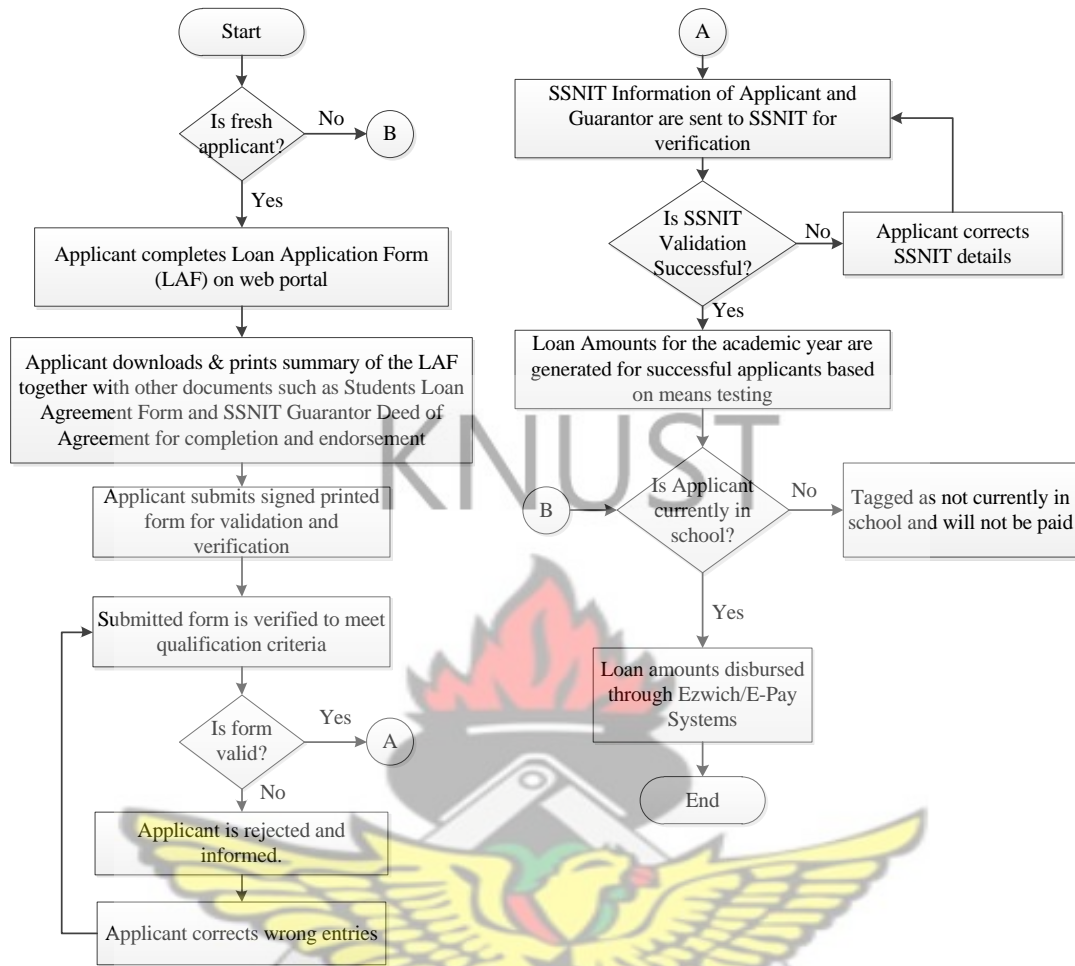
Figure 4.3: Application Processing Cycle

Source: Author's Own Construct, July 2012

4.4 Variables used in the Means Testing Methodology at SLTF

In a bid to seek answers to a research question with regards to the variables used in the means testing methodology at SLTF, an interview was also conducted with the Head of Operations of SLTF. It was to solicit information on the variables used in the Means Testing Methodology. From the discussions it was gathered that, the variables are grouped into the following six (6) key components:

- ❖ Applicant's Educational Background

- ❖ Applicant's/ Spouse Socio-Economic Background

- ❖ Parents/Guardian Educational Background

- ❖ Parents/Guardian Socio-Economic Background

- ❖ Household Assets and Amenities

- ❖ Household Burden

4.4.1 Applicant's Educational Background Variables

From the interview it was gathered that, the variables under this component were used by SLTF to collect data on the institution that the Applicant is currently enrolled and his/her past educational history were collected using SLTF's online application system. The key variables used in accessing the need of applicants under this component as mentioned by Head of Operations are depicted in Figure 4.4.1.
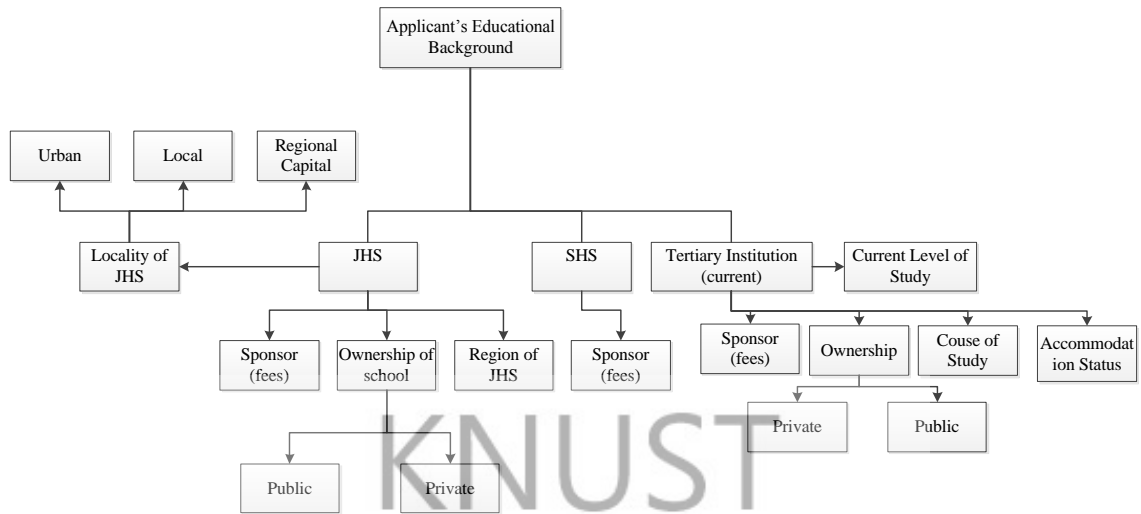
Figure 4.4.1: Key Variables of Applicant's Educational Background

Source: Author's Own Construct, July 2012

4.4.2 Applicant's/Spouse Socio-Economic Background Variables

The interview with the Head of Operations further revealed that, the data on socio-economic variables of the Applicant and his/her Spouse if the applicant is married were collected using SLTF's online application system. The key variables used in accessing the need of applicants under this component are depicted in Figure 4.4.2.
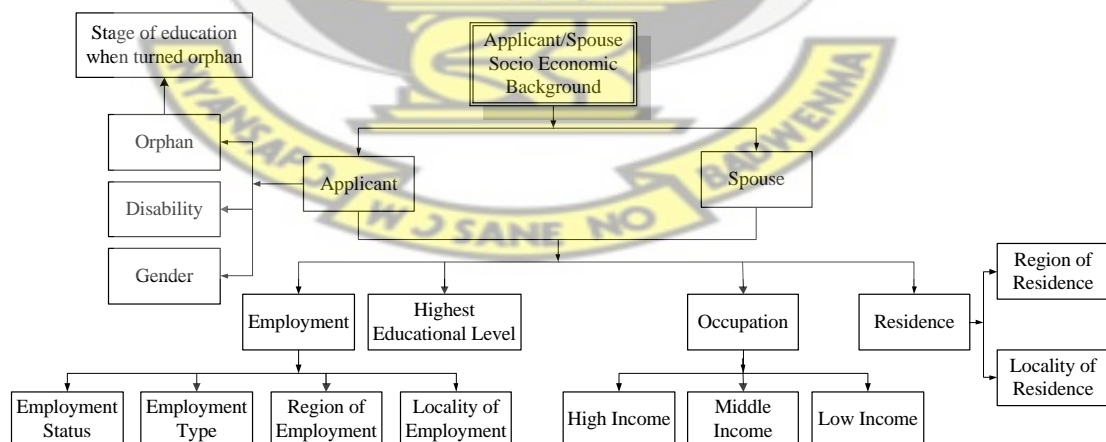
Figure 4.4.2: Key Variables of Applicant's/Spouse Socio-Economic Background

Source: Author's Own Construct, July 2012

4.4.3 Parents/Guardian Educational Background Variables

During the interview with the Head of Operations it was found out that, the data on the highest educational level of the Applicant's parents (if alive) and/or guardian were also collected using SLTF's online application system. According to the Head of Operations of SLTF, there are key variables used in accessing the need of applicants under the Parents/Guardian Education Background component. These variables are depicted in Figure 4.4.3.
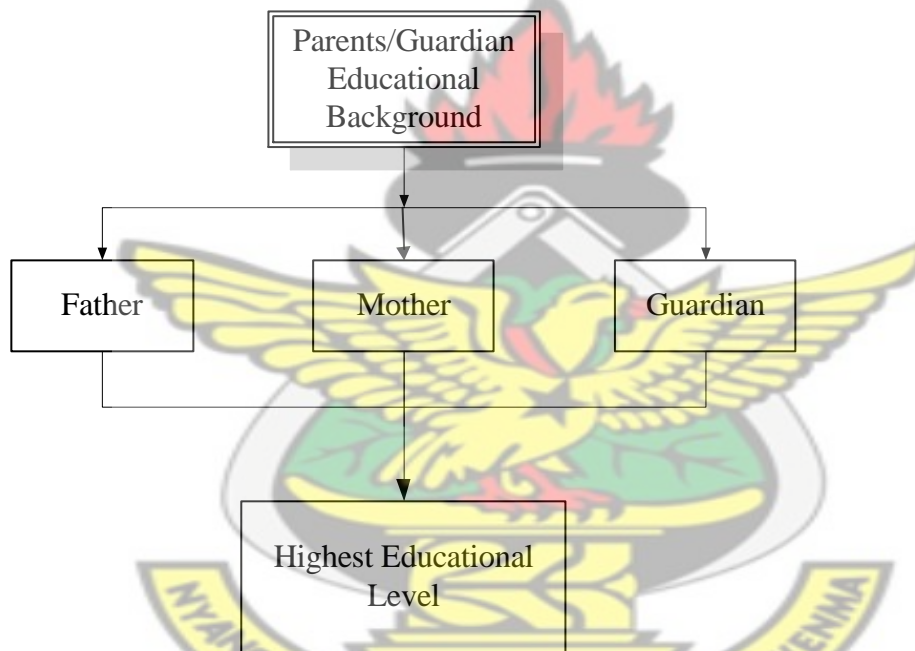
Figure 4.4.3: Key Variables of Parents/Guardian Educational Background

Source: Author's Own Construct, July 2012

4.4.4 Parents/Guardian Socio-Economic Background Variables

It came out from the interview with the Head of Operations that, SLTF uses the online application system to collect data on the socio-economic characteristics of the Applicant's parents (if alive) and/or guardian. Marcucci & Johnstone (2010), mentioned

that some of these socio-economic variables on parents are used in other means tested students loan in countries like Kenya, Tanzania and Chile. The key variables used in accessing the need of applicants under the aforementioned component are depicted in Figure 4.4.4.
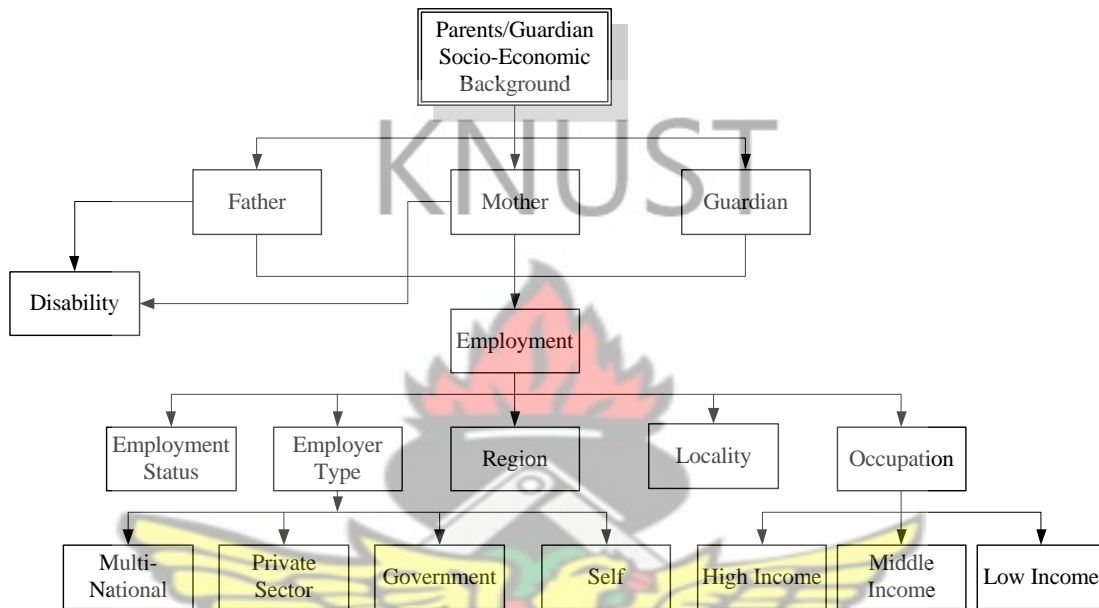
Figure 4.4.4: Key Variables of Parents/Guardian Socio-Economic Background

Source: Author's Own Construct, July 2012

4.4.5 Household Assets and Amenities Variables

Literature confirms the fact that, in most students loan schemes which practice means testing in both developed and developing countries, it is difficult to assess the wealth status of loan applicants using income as a main indicator. Hence, household assets in most developing countries are used as indicators of wealth (Tekleselassie and Johnstone, 2004). From the discussions of the interview, it was found that, data on assets and amenities of the Applicant's household were collected using SLTF's online application

system. The key variables used in accessing the need of applicants using household

assets as indicators of wealth are depicted in Figure 4.4.5.
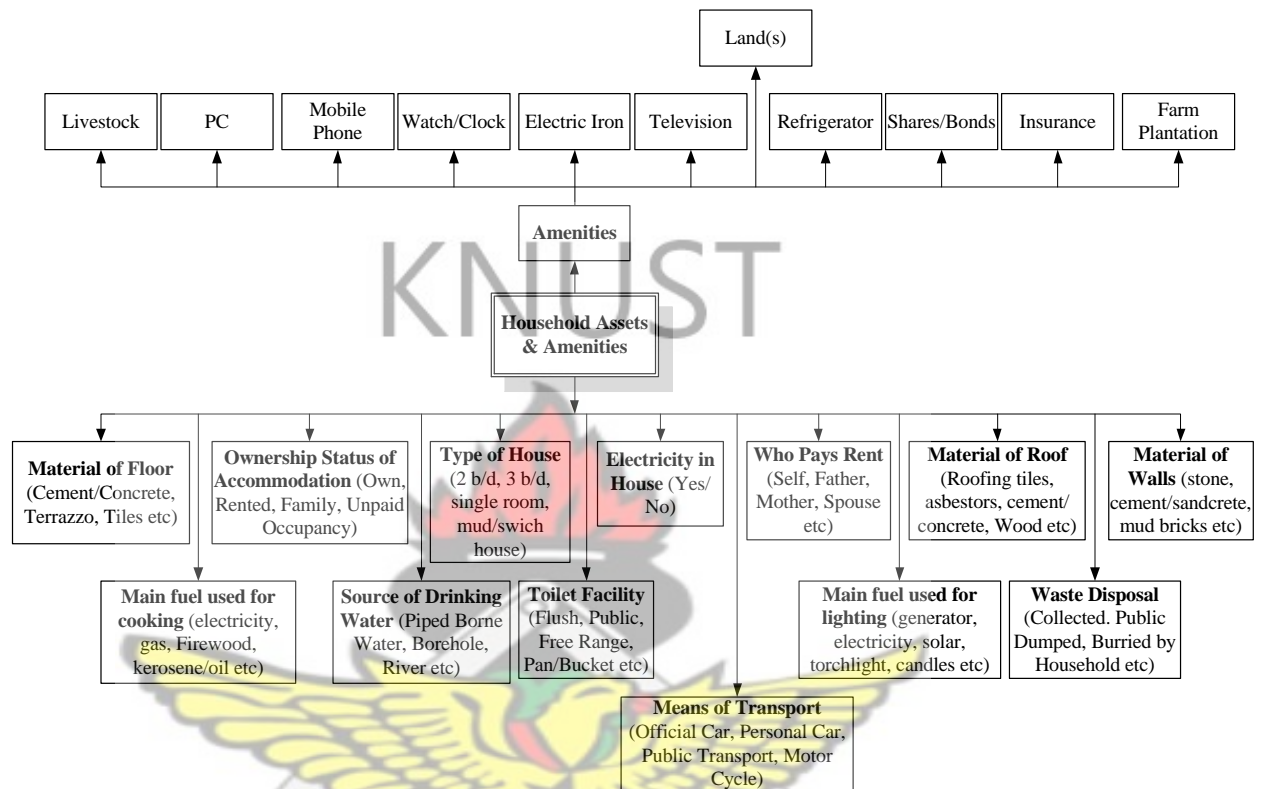
Figure 4.4.5: Key Variables of Household Assets and Amenities

Source: Author's Own Construct, July 2012

4.4.6 Household Burden

Variables which depicts household burden were also collected on applicants using

SLTF's online application system. The Head of Operations stated that, the following

variables are used to determine household burden in order to determine the financial

burden on applicant's household.

❖ Household dependants

      o Number of Dependants

      o Number of Dependants currently in school

❖ Whom the applicant is currently living with

The key variables used in determining the burden on the household as indicated by the

Head of Operations are depicted in Figure 4.4.6.
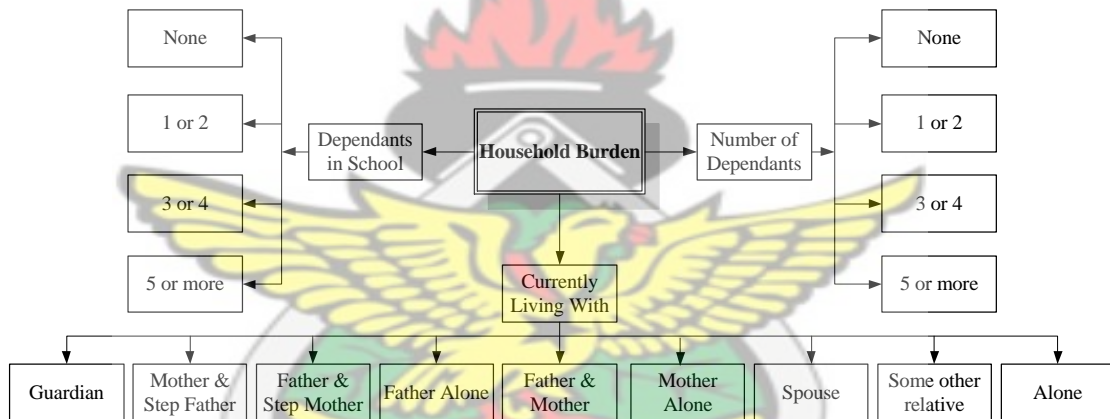
Figure 4.4.6: Key Variables of Household Burden

Source: Author's Own Construct, July 2012

4.5 How Means Testing is carried out to assess the Financial Need of Loan Applicants at SLTF

Means testing is a scientific technique used to evaluate the financial need of borrowers

of a grant or loan to provide their financial needs. Generally, means-tested students loan

attempts to distribute at least some higher education subsidized loan on the basis of

need-assessment or estimated ability to pay.

An interview guide was used to elicit information on how the means testing module works in the allocation of loans to applicants at the Students Loan Trust Fund. Gleaning from the discussions with the Head of Operations, it was gathered that, the means testing instrument attempts to determine the Wealth Status of the applicant's household to enable loan distribution to be targeted to poorer applicants.

The determination of the wealth status of a household was based on the calculation of the Wealth Index (WI) or Relative Need Index (RNI) of the applicant's household. According to the Head of Operations, SLTF decided to determine the financial need of an applicant using the Wealth Index approach because of the unavailability and unreliability of data on income and expenditure of Ghanaians. He mentioned that, the variables that were used as wealth indicators to calculate the WI of households were grouped into the following six (6) categories:

- ❖ Applicant's Educational Background

- ❖ Applicant's/Spouse Socio-Economic Background

- ❖ Parents/Guardian Educational Background

- ❖ Parents/Guardian Socio-Economic Background

- ❖ Household Assets and Amenities

- ❖ Household Burden

He further mentioned that, weights were assigned to relevant variables under each of the six categories which were indicators of the applicant's household wealth status. The Head of Operations explained that, responses from applicants on each of the weighted

variables were scored and these scores were summed to determine the household WI of the applicant. The WI scores were then grouped into ten (10) distinct need categories and specific loan amounts were allocated to each category.

Gleaning from the discussions above, the implication is that, the higher the wealth index, the neediest the applicant and vice-versa. Applicants were automatically assigned to any of the ten (10) categories based on their household WI score. A successful loan applicant, who met all the required criteria per the operations of the scheme, was given the loan amount assigned to the category he/she fell into based on his/her wealth index score. In addition, the calculation of the WI was automated as part of SLTF's online application system. He stated that "*a major merit of the means testing methodology lies in the fact that, it helps in finding a better way of allocating loans to applicants based on their needs*".

To complement the discussion above, an analysis was conducted on the dataset obtained from SLTF to find out the various categories applicants are likely to fall within. Table 4.5.1 shows the various categories that the loan applicants were found to fall within.

Table 4.5.1 Applicant's Need Assessment Categories

Categories	Frequency	Percent
Category 1	0	0
Category 2	7	0.2
Category 3	141	3.3
Category 4	718	16.6
Category 5	1,233	28.5
Category 6	1,223	28.3
Category 7	647	15.0
Category 8	255	5.9
Category 9	80	1.9
Category 10	20	0.5
Total	**4,324**	**100.0**

Source: SLTF 2011/12 Fresh Applicants Dataset, July, 2012.
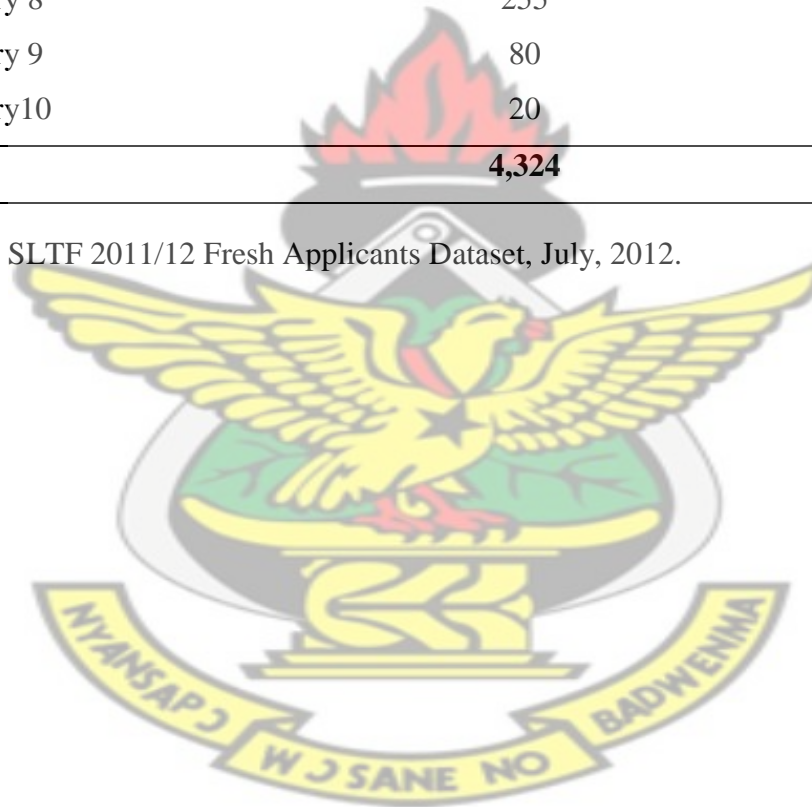
Table 4.5.2 Applicant's Need Assessment Categories by Gender

Categories	Gender Distribution of Loan Applicants			Percent (%)	
	Female	Male	Total	Female	Male
Category 1 (Least Needy)	0	0	0	0	0
Category 2	1	6	7	14.3	85.7
Category 3	37	104	141	26.2	73.8
Category 4	197	521	718	27.4	72.6
Category 5	208	1,025	1,233	16.9	83.1
Category 6	180	1,043	1,223	14.7	85.3
Category 7	73	574	647	11.3	88.7
Category 8	16	239	255	6.3	93.7
Category 9	7	73	80	8.75	91.25
Category10 (Most Needy)	0	20	20	0	100
Total	**719**	**3,605**	**4,324**	**100**	

Source: SLTF 2011/12 Fresh Applicants Dataset, July, 2012.

Table 4.5.2 above depicts the gender distribution by categories of loan applicants after their entries on socio-economic characteristics were means tested. It could be observed that, none of the applicants was found to fall within Category 1 (least needy) after the analysis. Interestingly, no female loan applicant fell within Category 10 (most needy) which is the neediest category. This finding goes to confirm to some extent the assertion that, female students are better catered for in their education than their male counterparts. On the average, most of the loan applicants were identified to fall within need categories 5 and 6.

4.6 Challenges likely to be Associated with the Means Testing Methodology

In any approach used by students loan schemes in determining the financial needs of students - whether income contingent or need-based assessment - there are inherent challenges (Marcucci & Johnstone, 2010). The researcher wanted to solicit the views of the key-informant, the Head of Operations at SLTF, on the likely challenges he envisaged might be associated with the means testing instrument used in the allocation of students loan to applicants.

From the discussions of the interview it came to light that, one key challenge associated with means testing is the likelihood of some applicants providing false information on some of the variables which are not easily verifiable such as household assets and amenities. In addition, it was also mentioned that, because parents or guardians of loan applicants are not obligated by SLTF to provide information on sections that concern them, applicants might provide wrong details of their parents or guardian.

During the interview session, the official also intimated that, the lack of good record keeping in the country might probably affect the provision of documents to support relevant information provided by the applicants such as birth or death certificates and income of previous employment history of applicant's parents.

Besides, it came to light through the interview held with the Loan Disbursement Manager that, applicants may misconstrue the actual meaning of some of the variables used in the means testing methodology due to different denotation or connotations people attach to certain words or variables.

The aforementioned challenges were corroborated by studies conducted by Marcucci and Johnstone (2010), who asserted that, with limited or non-existent information on either incomes or assets, no cultural tradition of voluntary disclosure of such information; and with little risks of sanctions for under-reporting, the difficulties of creating reliable, verifiable and cost-effective systems for means–testing in low and middle income countries such as China, Kenya and Chile are great.

4.7 Conclusion of Data Analysis

Findings from the discussions so far revealed that, the means testing methodology seems to be a better tool which can be utilized in the allocation of students loan at SLTF, despite some challenges which might be associated with it.

Findings from the research also revealed that, there is gender disparity in the uptake of students loan. Surprisingly, most of the loan applicants were not found to be residing in rural localities.

In effect, the means tested tool was found to be classifying applicants into various loan categories and allocating loan amounts to them based on the assessment of their various need levels at SLTF.

CHAPTER FIVE

SUMMARY OF RESEARCH FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of Findings

In this section the main findings which came out of the research study were carefully considered and conclusions drawn. The cardinal issue addressed in this study was to explore the allocation of Students Loan using Means Testing instrument at the Students Loan Trust Fund (SLTF).

The processes involved in the application, allocation and payment of student's loan at SLTF were also identified. In addition, the study identified the variables used in the means testing methodology, how the means testing was carried out to access the financial needs to applicants and the challenges associated with the means-testing methodology were examined.

In the study, the researcher set out to identify the processes involved in the application, allocation and payment of students loan at SLTF. Findings from the in-depth interviews analysis revealed that, there were distinct processes involved in the application, allocation and payment of student's loan at the Students Loan Trust Fund.

These processes include the completion of an online application form on the application web portal, submission of a summary of the completed application form and all other necessary documents after it had been signed and endorsed, verification of supporting documents to meet all operations criteria, scoring of the needs of applicants based on

information provided during the online application and consequent disbursement of approved means tested loan amounts to applicants through various payment platforms like the Ezwich or EPay. It was observed that parents or guardian were not required to fill portions of the online application form which solicited information about them.

As part of the objectives of this study, the researcher set out to examine the variables used in the means testing methodology at SLTF. From the key-informant interviews with the Head of Operations and Loan Disbursement Manager of SLTF, it came to light that, the variables used in assessing wealth status and financial needs of the means tested loan applicants were grouped under six (6) main components namely the Applicant's Educational Background; Applicant's/Spouse Socio-Economic Background; Parents/Guardian Education Background; Parents/Guardian Socio-Economic Background; Household Assets and Amenities and Household Burden. Besides, the dataset obtained from Students Loan Trust Fund, on the loan applicants for the 2011/12 academic year contained variables in each of the six (6) components. It was observed from the study that most of the variables which to a very large extent influence the specific amount that an applicant receives are not easily verifiable.

Another important research objective of this study was to find out how the means testing is carried out to assess the financial need of loan applicants at SLTF. Findings from the study revealed how the means testing is carried out to assess the financial needs of loan applicants in order to give them appropriate loan amounts to further their Higher Education.

From the interview discussions, it was revealed that, in assessing the financial needs of applicants, weights were assigned to relevant variables in each of the six categories which were indicators of the applicant's household wealth status. Moreover, responses from applicants on each of the weighted variables were then scored and summed up to determine the household Wealth Index of the applicant. In addition, these scores were then grouped into ten (10) distinct need categories ranging from least needy to most needy and specific loan amounts allocated to each category.

To complement this information, findings from the data analysis also revealed that, applicants were automatically assigned to the need-based categories depending on their wealth index scores. It also came to light that, majority (57%) of the loan applicants fell in the average need category.

Findings from the study indicated that, majority (83%) of the loan applicants were males, therefore, there is gender disparity in the uptake of the student's loan. It was also revealed that, most (90%) of the applicants were pursuing courses in public tertiary institutions than the private schools. Interestingly, 100% of applicants who fell in the neediest category were males. The study also revealed that, most, (72%) of the loan applicants were not found to be residing in rural localities. It was also revealed from the study that, household income was not a key variable used in the methodology to assess the financial need of loan applicants who were investigated. This could be attributed to the fact that, it was not easy to obtain accurate information on income levels of families. Literature confirms the fact that, in low and middle income countries such as China, Kenya and Chile it is difficult to obtain accurate information on family income of

households (Marcucci and Johnstone, 2010). Ghana is no exception with regards to the above.

Finally, the study was intended to find out the key challenges likely to be associated with the means testing methodology at Students Loan Trust Fund. It was conceptualised that, the issues of cost sharing and targeting in Higher Education coupled with problems of identifying needy students for appropriate loan amounts had necessitated the need for means testing loans in various loan schemes in other countries and in Ghana, as practised at SLTF.

However, literature also revealed that, there were challenges likely to be associated with means testing. Obstacles which were mainly identified during the interview sessions at SLTF include, provision of false information by applicants which may not be verifiable; lack of relevant documents to support applicant's claims and the tendency for applicants to misconstrue some information being requested from them on the loan application form.

5.2 Conclusions

In conclusion, findings from the study revealed that, there were various processes involved in the application, allocation and payment of students loan at SLTF. An observation that the researcher made was that, there may be difficulties in verifying some of the indicators of wealth such as assets and amenities of an applicant's household.

It was also revealed from the study that, household income was not a key variable used in the methodology to assess the financial need of loan applicants who were

investigated. This could be attributed to the fact that, it was not easy to obtain accurate information on income levels of people.

It was conceptualised that, decline in public expenditure on Higher Education; limited government revenue and lack of physical infrastructural development; inadequate finance for Higher Education, increase in demand for High Education and increasing student's enrolments in tertiary institutions among others influence access to tertiary Education in Ghana. These aforementioned challenges necessitated the need for an efficient way in allocating the scarce financial resources in the form of subsidized students' loans for tertiary students.

In an earlier discussion of this study, it had been mentioned that, in an attempt to effectively allocate loans to needy students, the means testing methodology which seeks to assess the financial needs of loan applicants has become relevant in the operations of the Students Loan Trust Fund.

Conclusions drawn from the study so far is that, the means testing instrument is vital for targeting the poor or needy students and the efficient allocation of student's loan in Ghana. Therefore, it is important to examine the critical factors that may limit the usefulness of the tool in the allocation of loans to students in the near future.

5.3 Recommendations

On the whole, the allocation of Means Tested students loan at the Students Loan Trust Fund was found to be influenced by several factors like the information provided by loan applicants on their bio-data and socio-economic characteristics, household information and relevant documents to support vital information which needs to be verified or validated.

All other things being equal, over time, the expectation is that, the utilization of the means tested methodology in targeting needy students from poor family backgrounds would lead to an efficient allocation of students' loan which would invariably increase access to tertiary education to students and also impact on skilled labour force for national development in the future.

Below are some possible recommendations to consider for a sustainable access and efficient allocation of students loan at the Students Loan Trust Fund.

1. The online application form for the means tested loans should require parents or guardian to provide their background details instead of the loan applicants doing so on their behalf, in order to reduce misinformation from loan applicants.

2. From the study it was revealed that, there were more male loan applicants than females. This calls for the need to intensify educational awareness among students in various tertiary institutions, especially female students. They should be encouraged to take-up students' loan to further their higher education.

3. It is also being recommended that, there should be an increase in awareness creation of the means tested loans to students who are permanently residing in rural communities of Ghana in order to increase access and reach of the scheme.

4. It is suggested that, higher weights should also be assigned to variables which are easily verifiable than those which are not.

5. There is the need to employ cost effective mechanisms to regularly carry out verification exercise and conduct random checks in order to ascertain the validity of some easily verifiable information provided by loan applicants which might not have supporting documents such as information on parents, guardian, assets and household amenities.

6. There should be the enforcement of sanctions, penalties or legal actions on culpable loan applicants for providing false information after thorough verification has been conducted on variables which are easily verifiable. In the same vein, the consequences of providing false information in the course of the loan application process should be explicitly spelt out to loan applicants.

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APPENDICES

KWAME NKRUMAH UNIVERSITY OF SCIENCE & TECHNOLOGY

KUMASI

INSTITUTE OF DISTANCE LEARNING

Commonwealth Executive Masters of Business Administration

CONSENT FORM FOR KEY-INFORMANT INTERVIEWS AT SLTF

RESEARCH TOPIC: THE ALLOCATION OF STUDENTS LOAN USING MEANS TESTING AT THE STUDENTS LOAN TRUST FUND (SLTF)

I am a student of the Kwame Nkrumah University of Science & Technology, Kumasi. I am currently carrying out a research study on the above topic with the aim of exploring the allocation of Students Loan by deploying the Means Testing Methodology at the Students Loan Trust Fund.

You are kindly informed that, accurate and honest answers are expected from you in the course of the interview section of this research. However, you are obliged to withdraw on your own free will.

………………………………   …………………………………   ……………………………..

Name of Researcher   **Signature**   **Date**

………………………………   …………………………………   ……………………………..

Name of Respondent   **Signature**   **Date**

KWAME NKRUMAH UNIVERSITY OF SCIENCE & TECHNOLOGY

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THE ALLOCATION OF STUDENTS LOAN USING MEANS AT THE STUDENTS LOAN TRUST FUND

KEY INFORMANT INTERVIEW GUIDE

I. Processes involved in the application, allocation and payment of Students loan at SLTF

1. Please can you explain in details the processes a prospective loan applicant goes through when applying for a loan?

2. What are the procedures used in processing loans to loan applicants?

3. Please enumerate the procedures the SLTF employs in students loan disbursement.

II. Variables used in the means testing at SLTF

4. What is the means testing methodology used by SLTF about?

5. What are the variables used in constructing the means testing module?

III. How is the means testing carried out to assess loan applicants at SLTF?

6. Please explain in details how the means testing is carried out to assess loan applicants at your organization?

7. What criteria do you look out for when verifying or assessing loan applicants?

IV. Challenges inherent in the means-testing tool in the allocation of Students loan.

8. What are the key challenges faced by the organization in the utilization of the means testing tool to allocate funds to loan applicants?

9. Please suggest possible ways by which some of these challenges can be solved or minimised in order to enhance your operations.