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Karliczek: We support students in need

Federal Ministry of Education provides bridging aid for students in pandemic emergency situations

The Corona Pandemic poses financial challenges for many students. Two thirds of the students work while studying. Many of them have lost their jobs due to the current corona pandemic. This poses financial bottlenecks for many. The Federal Ministry of Education and Research (BMBF) provides bridging aid for such cases. Federal Education Minister Anja Karliczek explains:

"Many students have lost their student jobs in the course of the corona pandemic. The affected students are facing financial bottlenecks. A great many students are employed while studying. Around two thirds of all students work while studying, and among foreign students the figure is as high as three quarters. For many of these students, who have to compensate for loss of income, BAföG support is now available.

However, students who are not eligible for BAföG and who do not receive any other income such as a scholarship or support as Erasmus students are also currently affected. If their earned income falls away, they are currently often faced with financial problems.

In the past few days, I have received letters from students who have described their plight to me in this exceptional situation. It is important to me that these affected students can now quickly receive bridging assistance. We must not allow the corona pandemic to force students to abandon or abandon their studies.

In the last few days, we in the Federal Government and the coalition government have been intensively discussing possible solutions. I am pleased that we are able to present a balanced concept for those affected today. It takes into account the fact that further assistance is needed in this exceptional situation. At the same time, it takes into account the financial burden on future generations.

Not all affected students will be able to compensate their previous income in the short term by finding other work opportunities. These students now have the opportunity to apply for an interest-free loan from the Kreditanstalt für Wiederaufbau (KfW) in the initial phase.

We are relying on the long-established KfW Student Loan, which will be granted interest-free until 31 March 2021 in view of the crisis that is expected to last even longer. This applies both to new applicants who join the

programme from 8 May onwards and to students who are granted loans already running between May 2020 and March 2021 during this period. For the group of foreign students currently particularly affected, we will open the student loan from July 2020 to March 2021.

In concrete terms: students can apply for an interest-free loan from the KfW from the beginning of May. The interest-free loan will amount to up to 650 euros per month. The loan can be applied for unbureaucratically online. This is a fair, fast and effective offer for the students concerned. I am grateful to KfW for its support. This provides the affected students with a tried and tested instrument that enables the bridging loan to reach affected students quickly. In total, a loan volume of up to EUR 1 billion can be activated.

In addition to the aid provided by KfW, we will also provide 100 million euros to the Deutsches Studentenwerk for the emergency aid funds of the local student unions. This money will be used to help those students who have been proven to be in a particularly acute emergency situation and who need help immediately and cannot take advantage of any other support. I would like to thank all the staff members who are there for the students in the student unions throughout the country from the bottom of my heart for their commitment.

This measure supplements the initiatives already taken by the Federal Ministry of Education to support students in the current exceptional situation. We have already taken numerous steps to ease the situation with regard to BAföG and scholarships from the organisations for the promotion of gifted students. In this way, we are supporting existing BAföG recipients, but also in particular those students who are now submitting new applications. All other students can take advantage of the new assistance.

Dr. Günther Bräunig, Chairman of the Board of Managing Directors of KfW Bankengruppe, says: "Since its introduction in 2006, KfW has been pursuing the goal of enabling students to study at university regardless of their financial background with the student loan, thus making an important contribution to educational justice in Germany. In difficult times this support is more important than ever: All students who receive disbursements under the KfW Student Loan can start or continue their studies during the Corona crisis thanks to the interest-free phase, even if they lose their part-time jobs or receive less support from parents who may also be in difficulties".

Achim Meyer auf der Heyde, the Secretary General of the Deutsches Studentenwerk (DSW), explains: "We expressly welcome the fact that the Federal Government, explicitly Federal Minister Karliczek, is providing emergency aid for students. We will now quickly develop a procedure with the Federal Ministry of Education and Research for the implementation of this aid via the student and student services organisations. We are very confident that the aid will quickly reach the affected students.

Background:

The KfW Student Loan is a proven programme of the Kreditanstalt für Wiederaufbau (KfW). Since 2006 it has offered students the opportunity to borrow up to 650 euros per month. In principle, students of all state-recognised universities in Germany aged between 18 and 44 who meet one of the following requirements are eligible for the loan:

German citizens with a registered address in Germany,
Family members of a German citizen who are staying in Germany with him/her and are registered here,
EU citizens who have been legally resident in Germany for at least three years and are registered here,
Family members of such an EU citizen who are staying in Germany with him/her and are registered here,
Bildungsinländer and registered in Germany.

The group of recipients of the classic KfW student loan will be extended for a limited period for the bridging loan. This means that foreign students - i.e. third-country nationals and EU citizens who have only been in Germany for a short time - can also take advantage of the interest-free loan in the initial phase.

Applications for the bridging loan can be made to KfW in the form of the interest-free loan in the start-up phase from 8 May 2020. Foreign students can apply from 1 June 2020. The tried and tested application procedure applies (for further information: www.kfw.de/studienkredit-coronahilfe). In principle, the general conditions of the KfW Student Loan apply with a maximum monthly payment of 650 euros. The reduced interest rate applies until 31 March 2021.

The usual repayment modalities of KfW student loans apply. The grace period, 6 to 23 months after the disbursement phase, is a grace period.

The resources for the emergency aid funds of the Studierendenwerke are granted by them as non-repayable support to students in particularly acute emergencies in accordance with the usual strict regulations of the funds.