



# HSBC Bank Plc- London Business School Loan Scheme

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## Background to the HSBC Bank Plc- London Business School Loan Scheme

When you apply to one of the top business school programmes in the world, a key decision you will have to make is how to finance your studies.

The HSBC Bank Plc - London Business School Loan Scheme is exclusive to London Business School and one particular branch of HSBC. This scheme can offer:

- a loan to cover a maximum of all tuition fees, plus living costs
- variable interest rate
- no security or guarantee requirements
- repayments in instalments starting six months after completion of the course

Please note that you are encouraged to make comparisons with other loan schemes for your convenience.

## London Business School - The Global Business School

London Business School offers a broad portfolio of general management and specialist finance programmes designed for individuals at different stages of their careers and with differing needs.

A graduate school of the University of London, the School was established in 1965 and is renowned for delivering the highest quality international business education in a world-class city. We base our excellence on the quality of our faculty and programme participants, global research, innovative executive education and outstanding masters degree programmes:

**Masters in Finance (full-time or part-time):** practical and career oriented; provides a thorough grounding in the principles and practice of finance

**Sloan Fellowship:** highly prestigious and intensive 10-month programme for successful managers in their 30s and 40s

**MBA:** a world-class 21 month programme for outstanding young professionals

**Executive MBA:** develops the managerial capabilities of exceptional individuals without interrupting their careers

**EMBA-Global:** a new concept in management education jointly offered by Columbia and London Business School

## HSBC Bank Plc- The Global Bank

HSBC is a principal member of the HSBC Group, one of the largest Banking and financial services organisations in the world. The HSBC Group's international network comprises around 10,000 offices in 83 countries and territories.

Through a global network linked by advanced technology, the Group provides a comprehensive range of financial services: personal, commercial, investment and private Banking; trade services; cash management; treasury and capital markets services; insurance; consumer and business finance; pension and investment fund management; trustee services; and securities and custody services.

HSBC Bank Plc retains a pioneering spirit, promoting international trade and constructive engagement through its business activities. Wherever we operate, we play a constructive and responsible role in aligning our objectives with those of the local community.

For more information about HSBC, please visit [www.hsbc.co.uk](http://www.hsbc.co.uk) (HSBC Bank Plc plc) or [www.hsbc.com](http://www.hsbc.com) (HSBC Group)

## Loan Scheme Regulations

### Do I qualify?

The scheme is for students who have accepted an offer of a place on a full-time MBA, full-time or part-time Masters in Finance, the Sloan Fellowship, Executive MBA and EMBA-Global programmes at London Business School. Applications from PhD students may also be considered. In order to be eligible for the loan, you must live in the UK for at least the duration of your course at London Business School.

### How much can I borrow?

The maximum eligible loan amount is £50,000, however the bank **requires all students to provide personal financial contribution to incurred educational costs**. You can apply for a loan to cover the cost of your tuition fees and, for full time students only, living costs for up to two thirds the net salary you earned in the 12 months before you started your course or £10,000, whichever is the greater for each year of your programme. The amount you apply for should take into account funds that you already have from personal or other sources and any amount requested for living expenses should be based on your estimated living costs during the period of study.

The decision to approve or decline your loan application, and the amount of any loan agreed, is entirely at the discretion of HSBC Bank Plc. The decision to lend funds is mainly based on the pre-school salary and ability to repay based on this income. In borderline applications the bank will consider a number of factors including likelihood of employment in the UK after graduation, pre School salary and other financial commitments.

### Can I apply if I have a scholarship or sponsorship?

Yes. We will be happy to consider loan applications to meet any shortfall between your full costs and any other source of funding such as scholarships, family support or any savings. You will be expected to provide documentary proof of other funding sources.

### How much will it cost?

Interest is variable over the duration of the loan and is currently charged at 2.75% above the Bank of England sterling base rate (<http://www.bankofengland.co.uk/>). Details of changes in sterling base rate will also appear on HSBC Bank Plc's website and in their branches. You will be given a written quotation and detailed terms and conditions before you confirm your acceptance of a loan.

Loan applications are subject to an administration fee of 1% on the amount of loan agreed.

### Do I need security, references or guarantees?

No. You will, however, be required to take life cover as a condition of the scheme.

### Do I have to open an account with HSBC Bank Plc?

Yes. It is a condition of any successful loan application. The HSBC Bank Plc account will be your principal bank account which you will maintain for the duration of the course.

### How and when are loan funds paid out?

HSBC Bank Plc will not pay out funds prior to the formal start of the course. Any loan for tuition fees will be paid directly to London Business School. If this results in an overpayment in your tuition fee account, you will be entitled to a refund of this surplus.

Any loan for living costs will be paid directly into your HSBC Bank Plc account in equal monthly instalments after your interview with the HSBC Bank Plc-London Business School Loan team at the start of your course.

## Application process

### When can I apply?

To apply, you must have accepted an offer of a place (i.e. paid the commitment fee) for one of the London Business School programmes in this scheme. No student can apply before they have accepted a place at the London Business School.

If you require loan financing, you are strongly advised to apply promptly, to allow time for you to explore alternative sources in the event that your HSBC application is declined. If you fail to secure the financing required enabling you to join the programme, your commitment fee will normally be refunded.

### How do I apply?

The application form and its guidance notes are available in the Pre Arrival Information pages on Portal. Students who have accepted their place on a course will be given log in details to access this site.

HSBC loan administrators will process the loan applications in close collaboration with the School's Financial Aid Officer. The latter will check your application for compliance with the bank's regulations and will contact you for more information if required. Once an application is complete, the Financial Aid Officer will forward your application to HSBC for consideration. Loan applications are subject to HSBC Bank Plc administration fee of 1% of the amount of loan agreed.

### Do I have to attend an interview in advance with HSBC Bank Plc?

As London Business School participants come from around 60 different countries each year and the scheme is administered from one centralised office in London, interviews are not feasible during the loan application process. However, if your loan is agreed, you will be required to visit the branch in London at the start of your studies to sign relevant documentation and activate your loan.

You should be prepared to cover the initial two months of your stay in London with your own funds, until your loan is disbursed by HSBC.

### What if I miscalculate the amount I need?

If you find that you have underestimated your budget in your initial loan application, you may apply to HSBC Bank Plc to adjust the loan amount. The bank reserves the right to refuse to increase the loan. Students are advised to contact the Financial Aid Officer to discuss this option before applying to the bank for an adjustment. An administration fee of 1% (min £100) will be charged for any increase agreed.

## Repayment of the loan

### When do I repay my loan?

The repayment of the loan commences six months after completion of your course and is over a maximum period of 7 years.

The repayment instalments will include the interest accumulated during your studies and the grace period.

### Must I use part of any sign-on bonus from my post-London Business School employer to repay my loan?

No.

### **What if I cannot meet my repayments?**

The loan is a significant seven-year repayment commitment and its requirements should not be underestimated. Foreign exchange movements (if future earnings are not in pound sterling), interest rate increases and the job market are factors which will influence your ability to repay.

If you experience difficulties in repaying your loan, you may be able to approach HSBC to discuss your financial situation. The bank will make an administrative charge (currently £100) in relation to any successful application for an adjustment to the original repayment schedule.

HSBC Bank Plc meets with London Business School every month to review the status of each loan. If you struggle to meet the repayments you should contact HSBC immediately. Failure to repay your loan or to contact HSBC will result not only in the Bank taking appropriate steps to recover the debt, but also in the School suspending your alumni services and benefits and declining to provide references.

### **Can I repay my loan early? Are there any administrative charges or penalties if I do?**

You can repay early, in part or in full, at any time. There are no administrative charges or penalties for early repayment.

### **What else should I know?**

You must notify HSBC of any change of circumstances (e.g. new contact addresses, details of the job you have accepted on graduating, basic salary, bonuses, etc.).

The HSBC Bank Plc-London Business School Scheme is extremely beneficial to our students. We are therefore committed to preserving its integrity and ensuring its long-term success. London Business School and HSBC Bank Plc may share information about you that is relevant to your loan at any stage prior to the full repayment of the loan and you will be required to sign a mutual disclosure agreement to this effect.

If you have any questions about the HSBC Bank Plc-London Business School loan scheme that are not addressed in these pages, please contact the School's Financial Aid Officer at [financialaid@london.edu](mailto:financialaid@london.edu)