

## [Raising tuition fees won't affect graduate mortgage chances](#) [1]

Written by [Anton Howes](#) [2] | Thursday 11 November 2010



You may have seen the student furore at changes to tuition fees yesterday. Hundreds of violent socialist and self-professed "anarchist" students besieged and occupied the Millbank tower. However, the vast majority of them really ought to calm down. As I pointed out in my [analysis](#) [3] of the Browne Review, there are plenty of myths flying around.

The truth of the reforms is that there will be a fall in graduates' annual repayments, with the threshold for repayments being raised to £21,000 from £15,000. Student debt is not a mortgage-style debt: whilst interest will be allowed to accrue, this merely affects the time it takes to repay the debt - annual repayments are completely income-dependent and set to fall. Most significantly, university education will remain free at the point of use (which could be problematic, as my full analysis shows).

New myths have come to my attention and desperately need dispelling. One comes from a misreading of this [BBC report](#) [4] (representative of many other reports in the media) on the reforms' effects on mortgages: skimming the report would give the impression that increases in the headline figure of student debt will affect a students' chances of getting a mortgage. Not so. The article actually states that it is the *current* system that affects students' chances. The proposed rise in the threshold of repayment would make it easier to get a mortgage and, with no change in the 9% income-dependent figure, the only way I can see it affecting mortgages is through the 5 extra years of repayment before the debts are forgiven.

The article's calculation gives the figure of current annual debt repayments for a graduate on £30,000 per year at £150 per month. What it fails to mention is that with the Browne review and government's proposals, this will fall to £105 per month. I challenge any socialist or well-meaning student protester to demonstrate how falling annual and monthly repayments will make it harder to get a mortgage.

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