AN EXPLORATORY STUDY ON THE FACTORS AFFECTING REPAYMENT OF NAMIBIA STUDENTS FINANCIAL ASSISTANCE FUND (NSFAF) LOANS

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BY

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Abstract

The purpose of this research is to make an exploratory study on the factors effecting repayment of Namibia Students Financial Assistance Fund (NSFAF) loans. The NSFAF has been riddled with challenges and currently owed over N$400 million in student loans. The student beneficiaries have argued that they will not pay their loans back because the loans should be turned into grants. The beneficiaries' argument was that they are already burdened with rentals, transport, food and increasing tuition fees. As such, any outstanding loans should be cancelled. These sentiments expressed by the students might be indicative of some of the reasons why it has been difficult for the NSFAF to recover some of the money it has loaned to students. In this study, the quantitative research approach was selected because of its construed merits and appropriateness. The merits are; quantitative research is used to execute systemic observations over the properties and correlations of the surveyed objects. It is a method which is important in analysing numerical data. The quantitative research is also vital for the objective of evaluating justice from the view point of the user. It is a tactic that is regularly used for research on policy and programme assessment. The tactic selected for the survey is appropriate for the evaluation of case studies. The quantitative research is vital for the study since it guided the researcher to evaluate the statistical perspective of the NSFAF case study. Participants highlighted that the state should amend the NSFAF Act of 2014. The new legislature should make it mandatory for students to pay back the loans by asking the employers to collaborate with NSFAF on verification since other alumni do not want to let the employers know that they benefited from the NSFAF. The ACT should make it compulsory for employers to disclose the students who have benefited from the NSFAF and deductions ensue in the form of garnishee from the salaries. NSFAF can also trace the students who benefited through the public service department and private sector. This can be accomplished through having staff members collaborating with these organisations. Sixty seven percent of the participants had cumulative siblings of greater than five, while 36.4% of the respondents had five siblings, and the remaining 15.9% had four siblings to look after. It is also recommended that a white paper should be crafted from the State which addresses the indebtedness of the alumni and the problems which they face when paying back the loan. A strategy to assist the students should be the mandate of the government. Considering the high unemployment rates, and the fact that most alumni are from poor backgrounds, there is a need to alleviate the plight of the students, Hence, the researcher recommends a no interest loan for the students. This research focused on the University of Namibia alumni's who are

currently employed. Alumni students were surveyed about their perceptions on loan amounts, earnings potential, future decision making, and whether the cost of the education was worth the expense.

Dedication

I would like to dedicate this thesis to my younger siblings Aili and Frans Reinhold as a motivation for them to study hard and obtain their qualifications at the University.

Acknowledgements

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1. CHAPTER ONE: INTRODUCTION AND BACKGROUND

This chapter gives an overview of the study. It defines the research background, states the research problem, and outlines the research objectives, and research questions of the study. The chapter also spells out the significance of the study, and limitations of the research.

This survey is an exploratory study focused on the factors affecting repayment of Namibia Students Financial Assistance Fund (NSFAF) loans. In this setting, special orientation was made to students within the Namibia Students Financial Assistance Fund. The following research questions were addressed: (1) What are the factors contributing to the repayment of student loans? (2) To what extent is the students' intention and perception towards the loan agreement? (3) What is the students' attitude towards loan agreement? (4) What are the strategies to ensure that graduate students pay back the money? Students were invited to articulate their perceptions of the Namibia Students Financial Assistance Fund loans and how these have impacted their lives. The study employed a quantitative approach and sought to launch the collective voices of students funded by the Namibian Students Financial Assistance Fund.

1.1 Background of the study

According to Shen (2010), there are numerous types of student loans repayment, for example, the Conventional Mortgage-type loan (CML), Income contingent loan (ICL), graduates tax, employer tax, social pension, national forgiveness and others. The CML and ICL are the mostly performed. Namibia is one of the seventy countries that offered loans to students and suffers from a high default rate, as well (Institute for the Study of Labour, 2008). In 1997 the Namibian government came up with the Public Service bursary scheme; its purpose was to train people to work solely in the Civil Service (Ministry of Education, 2005). The number of people trained by the scheme increased significantly and could not be absorbed by the public service sector alone. The Public Service bursary scheme was soon replaced by the Namibia Students Financial Assistance Fund (NSFAF), which was implemented in January 1997, and ultimately approved by an Act of Parliament (Act No. 26 of 2000).

The NSFAF was mandated by the government of Namibia to provide financial assistance to eligible Namibian students for tuition fees in the form of loans/grants at approved institutions

of higher learning. The Fund also has the responsibility of recovering money from the beneficiaries upon completion of their studies (Act No. 26 of 2000). The scope of the NSFAF includes public and private universities, where students at first degree, master, doctorate and professional courses can apply for loans/grants. However, since the NSFAF's inception in 1997, it has faced numerous challenges, especially, the collection of data on all students that it has funded, which has made it difficult for it to recover the money that it has loaned out to the students (New Era, March 6, 2015).

The cost of funding higher education and the living costs for students have been increasing over recent years (Altbach, Reisberg, & Rumbley, 2009). Globally, the high tuition fees and the increasing living costs for university students is identified as one of the causes that some students accrue debts or are forced to work while studying to finance their education. The situation is believed to be worse in sub-Saharan Africa (Altbach et al., 2009). This has prompted many countries to come up with bursary and loan schemes to offer financial assistance to enable students to pay direct and indirect costs of higher education (tuition fees, books, and living expenses) (Woodhall, 2004). In Africa, some of the countries with student loan schemes are Kenya which has the Higher Education Loans Board, Rwanda which has the Students Financing Agency and Uganda which has the Higher Education Students Financing Fund (Nganga, 2013).

Government loan programs came into existence around the 1940s and 1950s; making Scandinavia and the USA the first countries to introduce student loans from the government to fund higher education (Woodhall, 2007).These schemes are in operation in more than seventy countries around the world (Institute for the Study of Labour, 2008). Altbach et al. (2009), note that student loan schemes are crucial in maintaining participation in higher education considering the cost pressures that are faced by governments and parents. However, while there is a significant amount of information available on the history of loans, types of loans, and the implications of loans when in repayment, there is very little information measuring the students' awareness of their loans, or more specifically, how they perceive their awareness of their loans. The student loan burden has increased as the cost of higher education also increased, and less grant aid has been available to subsidise the increased cost (Laing, 2012).

King and Frishberg (2001) argue that students are ignorant of the amount of money they are borrowing to cover the cost of their education and despite the rising cost, the repayment

amounts were at a reasonable level. However, the same cannot be said of Namibia in that as the number of student loans grew nation-wide, the rate of repayment rates declined.ng.

1.2 Problem Statement

NSFAF currently uses the ICL repayment condition, which includes the repayment ratio which is the rate of each repayment amount to the income in corresponding period, the income repayment threshold and the most extended repayment periods (Shen, 2010).

According to Woodhall (1987), when choosing between the various options, the planner must take account of the costs to government of alternative rates of interest subsidy, the burden of debt facing borrowers, and the likely rate of default if repayment terms are too harsh. NSFAF's poor repayment collections from approximately 67 866 beneficiaries (Tjihenuna, 2015) has seen it fail to recover the 10 million per year which it has set as its objective (Auditor General's Report, 2012). According to Kauraisa (2015), NSFAF is owed over N$400 million in student loans with the student beneficiaries saying that they will not pay their loans back, as the loans should be turned into grants (Tjihenuna, 2015). The beneficiaries' argument was that they are already burdened with rentals, transport, food and increasing tuition fees, hence, any outstanding loans should be cancelled. These sentiments expressed by the students might explain why it has been difficult for NSFAF to recover some of the money it has loaned to students. The students are challenging the Minister to dissolve the NSFAF Board; stating that it does not fully represent the interests of students. They also want the unpaid tuition and non-tuition payments dating back to 2017 to be settled. Further, students are insisting that all fishing quota rights holders and mining corporates should contribute a mandatory five percent of their profit to the students' funding (Nakale, 2019).

However, the loan agreement between the students and NSFAF was based on the ICL repayment condition which requires among other things that after the students have completed their studies and have obtained a job, they should visit the NSFAF offices to work out repayment plans. The ICL repayment conditions and the failure to implement the NSFAF Recovery Policy as stated in the NSFAF Act of 2000 are noted as some of the reasons students have not been repaying their loans (Halwoodi, 2014). Hence, this has propelled the study to investigate the factors impeding the repayment of NSFAF student loans, focusing on the relationship between the students' intentions to repay the loans, the students' attitudes towards loan repayment and perceptions of the loan agreement.

1.3 Research Objectives

The primary aim of this study is to investigate the factors affecting the repayment of NSFAF student loans, focusing on the students' attitudes towards, perceptions and intentions to repay the loan.

To achieve this, the following ancillary objectives are articulated:

 i) To identify factors contributing to the repayment of a student loan.

 ii) To investigate the students' intentions to repay the loan and perceptions of loan agreement.

 iii) To establish students' attitudes towards the loan agreement.

 iv) To examine the strategies adopted to ensure students pay back the loan.

By achieving the objectives mentioned above, the study will contribute new knowledge relating to factors affecting the educational loan repayment or non-repayment in Namibia. Thus, it is hoped that the study will offer practical insights to educational loan issuing organisations and policymakers.

1.4 Research Questions

The broad research questions to be posed in this study are:

 1. What are the factors affecting the repayment of student loans?

 2. To what extent is the students' intention to repay the loan and perception towards the loan agreement?

 3. What are the students' attitudes towards the loan agreement?

 4. What strategies are used to ensure that graduate students pay back their loans?

1.5 Target Population and sample

The population of the study consisted of approximately1089 students who were awarded loans in 2011 at the University of Namibia. The participants were those who completed their Grade 12 studies in the Khomas region (Secondary education in schools located in Khomas region).

The study used convenient quota non-probability sampling because the respondents had different fields of study, religion, gender, income levels which are all part of the ICL

repayment conditions. The study targeted 108 currently employed beneficiaries who obtained loans in 2011.

The study used the convenient sampling method because it relied on data collections from participants who were conveniently available to participate in the survey. In other words, this sampling method involves targeting participants wherever one can find them, specifically where it is convenient. The method was selected because the research was at its exploratory stage. The method was appropriate to the study and the targeted population because it is simple and easy to use, and data collection can be assembled in a short period of time (Black, 2017).

1.6 The significance of the Research

This study is of importance to the Namibian government and NSFAF because of its thrust on the loss of revenue (through defaults) which could have been recycled to expand the program. It is hoped that the recommendations put forward in this study will help the Namibian government and NSFAF to understand some of the reasons behind the loans default, which include the students' attitude to repay the loans; such an investigation may raise awareness on the corrective measures to be taken. Finally, other scholars may use this study as a platform for further research in other government loan schemes in other countries.

Completion of this research study will also guarantee the researcher an opportunity to appreciate the importance of research and acquire the essential research skills and techniques. Such skills are invaluable tools for future endeavors by the researcher. Significantly, the completion of this research will enable the researcher to attain her Masters' degree qualification as this is a major achievement.

1.7 Research Methodology

In this study, the quantitative research approach was used because of its apparent merits and suitability. It is a strategy that is often employed for research on policy and programme evaluation. The approach is also suitable for the assessment of case studies. Hence, the quantitative research approach is vital for the study since it enabled the researcher explore the NSFAF case study. Moreover, the researcher selected this approach because the aim of the

survey was to explore the determinants which affect loan repayment in Namibian. The researcher chose the case strategy because it is appropriate for small-scale research, and the inputs concentrated on a few research sites (Molyneux & Gardener, 2012). Further, the researcher employed the case study approach because of its pertinence to the survey and the essence of the case being researched upon. Given that case studies permit the researcher to explore an assortment of reality, this means that many methods can be used. Hence, the researcher made use of the quantitative approach with a focus on the case study tradition to explore the factors affecting the loan repayment.

1.8 Research strategy

The research strategy appropriated for this study was the case study approach. The case strategy is relevant in this survey because it can study the uniqueness and distinctiveness of a particular case in all its complexity. Case studies try to reckon the interface among individuals, corporates, events and efficacy. Rather than making it a unit of analysis and separate items for analysis, the case study seeks to keep all elements of the circumstances in sight at the same time. Furthermore, it explores a group and institutions, and involves executing fieldwork by investigating the spot, under the usual circumstances of the case study (Badke, 2014).

Case studies are generally categorised on the one hand by their compactness and circumstantial specificity, and on the other by their school of thought interest. The case strategy encapsulates an empirical investigation of a contemporary phenomenon with its practical context, using several sources of evidence (Purcell, 2014). The other merit of a case study strategy is that it has a recognisable capability to produce answers to questions. Case studies probe an individual personality in-depth with the intent of identifying a condition and suggesting corrective measures (Deleaner, 2012).

1.9 Limitations of the Research

The study will only be conducted on the beneficiaries of the NSFAF; it will not include students who obtained loans from private or other organisations. Due to financial constraints

and limited time the study can only be conducted on the University of Namibia beneficiaries based in Windhoek, who completed their grade 12 in the Khomas region. Furthermore, it will only focus on the beneficiaries who were awarded loans in 2011 only.

1.10 Breakdown of Chapters

The first chapter of the research defines the background of study. It also spells out the research problem and outlines the research objectives. The limitations of the study are spelt out. The chapter also explains the significance of the study and presents the chapter conclusion.

Chapter 2 gives an overview of relevant literature to the study and explains the theoretical framework, and the theories on factors affecting loan repayment. It concludes by identifying the research gaps.

Chapter 3 describes the methodology used in the study. It also describes the research design, explains the data collection methods and describes the questionnaire. The ethical considerations of the study are spelt out.

Chapter 4 analyses the findings and presents the discussions based on the research objectives. It also defines the descriptive statistics such as mean, mode and kurtosis. The data analysis diagrams, regression and correlations are also presented in this chapter.

Chapter 5 gives the summary of the study, and the conclusion drawn from the findings in Chapter four and the literature discussed in Chapter two. The Chapter also includes the recommendations of the study, based on the findings, and lastly, suggests avenues for further research.

1.11 Conclusion

Namibia is one of the seventy countries that distributes loans to students and suffers from a high default rate. NSFAF is owed over N$400 million in student loans with the student beneficiaries claiming that they will not pay back their loans, rather, the loans should be turned into grants. The beneficiaries' claim that they are already burdened with rentals, transport, food and increasing tuition fees, hence, any outstanding loans should be cancelled. These sentiments expressed by the students might explain why it has been difficult for NSFAF to recover some of the money it has loaned to students. In this study, the quantitative

research method is employed because of its professed merits and suitability. The method is a tactic that is often employed in research on policy and programme assessment. The tactic selected for the survey is appropriate for the assessment of case studies. The study was conducted only on the beneficiaries of NSFAF; it did not include students who obtained loans from private or other organisations. The next chapter deals with the literature review in which the research conceptualises the document and furnishes empirical literature.

2. CHAPTER TWO: LITERATURE REVIEW

2.1. Introduction

This chapter reviews the literature on factors believed to contribute to educational loans default and repayments and comprises six sections. Section 2.2 presents an overview of global educational loans in developed and developing countries, followed by a discussion of the definition of default and repayment terms. Section 2.3 focuses on the relevant literature on factors influencing educational loans default and repayment. The literature in this section is divided into ten (10) sub-sections: amount of loan borrowed, repayment type, unemployment and income uncertainty, students' background characteristics, institutional characteristics, academic experiences, parents' income and education, knowledge about loan agreement, awareness of education debt issues, perceptions towards loan repayment and attitudes towards education debt. Section 2.4 discusses the varied definitions of attitude, followed by the essentials of the theories of attitude research in Section 2.5, and 2.6 presents the chapter conclusion.

2.2. Educational loans overview

Educational loans are funds provided by a bank, institution or agency to students to assist them to pursue their studies. Globally, investment in education has been identified as productive, both economically and socially (Stewart, 2016).

Educational loan schemes for higher education have been propounded in over 70 states around the world, including Namibia. It is noteworthy to highlight that educational loan schemes differ among countries regarding the design and manoeuvre of the system as a whole, as well as repayment (Woodhall, Paying for learning: the debate on student fees, grants and loans in international perspective, 2002). For example, countries such as the United Kingdom (UK), Australia, New Zealand and the United States of America (USA), have introduced schemes to provide all qualified students with the opportunity to pursue their studies in higher education (Ziderman, 2004).In countries such as China, the Republic of

Korea, the Philippines, Thailand and Malaysia, the principal objective is for social needs, which aims to help students from poor and disadvantaged backgrounds (Ziderman, 2004). Educational loans usually carry a lower rate of interest compared to commercial loans. The purpose of this loan is to help students from needy families so that a nation can achieve a proper supply of educated professionals to run the various sectors of the economy (Woodhall, 1988); (Ziderman, 2004) (WorldBank, 2007). Ziderman (2004), states that educational loans are believed to relieve pressure on national budgets. However, the primary challenge with educational loans in many countries is the low repayment rate.

2.3 Theoretical framework

This study is informed by the theoretical framework adopted from Mardon (2018) which has the independent variable of factors affecting repayment and the dependent variable of Namibian Student Financial Assistance Fund. The intervening variables of attitude towards loan agreement and strategies to pay back the loan, and predictor variables such as students' intentions and perceptions are also shown in the following diagram.

Figure 2.1 Theoretical Framework 1

Student intentions and perceptions towards loan

Factors Affecting student non-payment

Attitudes towards loan agreement

Strategies to pay back the loan

Namibian Financial Assistance

Fund
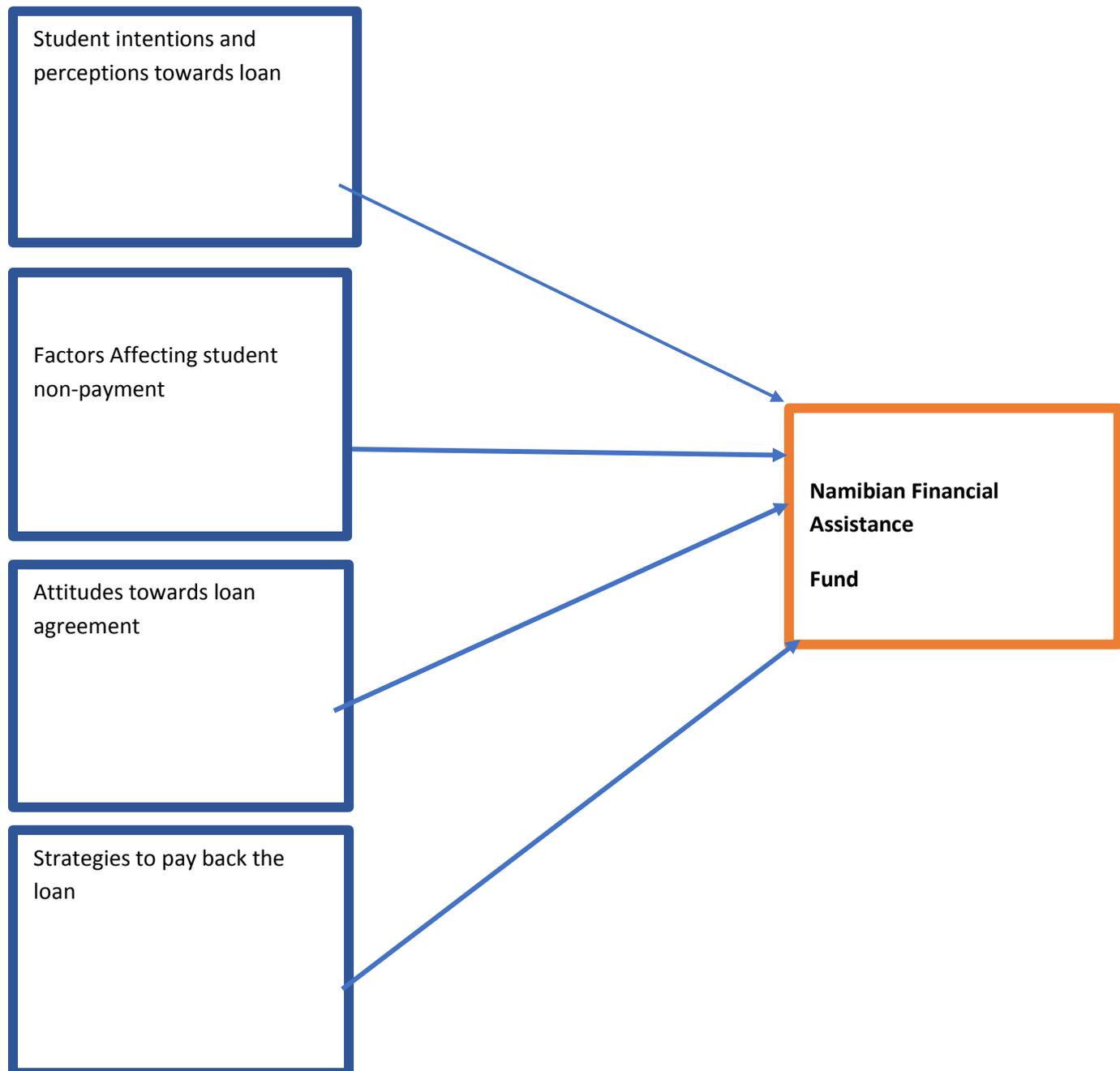
Source: Marsden (2018)

2.3.1 Factors influencing repayments and defaults

Many factors have been identified in previous studies as influencing the repayments of and defaults in educational loans. This section discusses factors related to default and repayments and will show which area has been studied widely and which area has fewer studies.

2.3.1.1 Amount of loan borrowed

The amount of loan borrowed by students for their studies can affect the loan repayments. This is justifiable as, the higher the borrowing, the higher the chances of default (Choy & Li, 2006); (Dynarski, 1994); (Lochner & Monge-Naranjo, 2004). Markedly, researches have also shown that students often take loans for further degrees when they complete the first qualification in the belief that higher degrees will help them to procure better jobs, subsequently leading to a higher repayment of the old loans (Ziderman 2004; Bakar, Abu, Jasoh 2006; Chad & Martin 2014; Dynarski 1994; Harrast 2004). However, students who borrow more significant amounts for their first loans have experienced difficulties in repaying the subsequent loans as well (Livingstone, 2003); (Woo, 2002); (Schwartz & Finnie, 2002); (Volkwein & Cabrera, 1998).

2.3.1.2 Repayment type

Repayment types can also contribute to educational loan default (Shen & Ziderman, 2009); they can either accelerate or delay the repayment. The most common two types of repayment implemented in most countries are income-contingent loans and mortgage-type loans (Chapman & Ryan, 2005).

The income contingent loans are proportionate to income, whereas the mortgage-type loan repayments are based on a monthly fixed rate. The latter contributes commonly to low repayment collection compared to income-contingent loans (Chapman & Ryan, 2005). This is because the system itself allows the opportunity to default. In the case of the mortgage type loans, the borrower of the loan has a repayment contract following graduation, which sets the fixed monthly repayment rate and repayment term (Cartwright, 2008); (Ismail & Serguieva, 2009).

On the other hand, income-contingent loan schemes depend on graduate earnings, whereby graduates with lower lifetime earnings pay less (or do not pay at all), while those with higher earnings pay higher monthly rates or in full (Ismail & Serguieva, 2009); (Palacios, 2004). As a result, the default rate is low in the case of this scheme. To implement the income-contingent loan system, it is imperative that the affected countries have strong tax system links between the government and the organisations providing loans. Developed countries such as the United States of America, the United Kingdom, Australia, and Canada, use income-contingent loans as a type of repayment collection. However, owing to the weak tax system and coordination problem with the government and loan provider, the system is not very effective in developing countries. Notably, research has shown that the default rate is higher for those countries that implement the mortgage-type loan (Barr, 2003); (Chapman, 2006b).

2.3.1.3 Gender

Empirical studies have established that gender affects loan repayments (Volkwein & Szelest, 1995); (Knapp & Seaks, 1992); (Myers & Siera, 1980); (Wilms, Moore, & Bolus, 1987). When compared to males, females have been found to experience greater difficulty in repaying loans (Schwartz & Finnie, 2002). Possibly, this is because females are more likely to default owing to childcare needs, financial needs, and more time is taken off work to raise a family (Moran, 1987); (Myers & Siera, 1980). On the contrary, (Podgursky, 2002) and Volkwein *et al*. (1998) report in their studies that males are more likely to default than females. Yet another study has established no significant difference in default rates between males and females (Knapp & Seaks, 1992); (Ismail & Serguieva, Investigating the effect of socio-demographics on students' attitude towards student loan repayment in Malaysia, 2009).

2.3.1.4 Age

The age parameter has been found to influence loan defaults (Herr & Burt, 2005); (Steiner & Teszler, , Multivariate analysis of student loan defaulters at Texas A&M University, 2005); (Harrast, 2004); (Podgursky, 2002); (Woo, 2002); (Davies & Lea, 1995); (Knapp & Seaks, 1992). Significant to note is that a negative relationship between age and educational loan

repayment suggests that older students are likely to have greater financial obligations, such as families to support, while younger students have relatively less financial commitments (Herr & Burt, 2005). In addition, older students are more likely to default because they owe more than younger students (Harrast, 2004); (Steiner & Teszler (2003).

2.3.1.5 Marital status

Marital status has also been found to affect loan repayment (Volkwein & Cabrera, 1998); (Dynarski, 1994); (Myers & Siera, 1980). It was established that being single, divorced or widowed increases the default rate by more than 7% (Volkwein & Szelest, 1995). Also, being married lowered dramatically the default rate for non-Whites (Ismail & Serguieva, Investigating the effect of socio-demographics on students' attitude towards student loan repayment in Malaysia, 2009).

2.3.1.6 Number of dependents

The number of dependants also affects loan repayments (Dynarski, 1994). This means that the higher the number of dependents, the higher the likelihood of default (Woo, 2002). A study by Volkwein and Szelest (1995) found that the probability of default increased by 4.5% per dependent child. This is so because more children require the sharing of limited resources, thereby decreasing the ability to repay loans (Herr & Burt, 2005).

2.3.1.7 Unemployment and income uncertainty

Unemployment amongst graduates has direct implications regarding loan repayment. Unemployment increases the likelihood of default (Monteverde, 2000); (Dynarski, 1994). A number of scholarly researches have shown that uncertainty and unemployment directly affect loan repayment (Choy & Li, 2006); (Lochner & Monge-Naranjo, 2004); (Woo, 2002); (Volkwein & Cabrera, 1998); (Dynarski, 1994). Moreover, research shows that, as the

income level of postgraduate studies increases, the likelihood of default decreases (Baum & O'Malley, College on credit: how borrowers perceive their education debt: results of the 2002 National Loan Survey , 2003). The immediate implication is that most students default because their income is insufficient to keep up with their repayments (Woo, 2002).

2.3.1.8 Academic experiences

Academic experiences that include the programme of study and individual educational attainment also affect loan repayment (Steiner & Teszler, 2003); (Herr & Burt, 2005). The programme of study can determine how fast one obtains employment and one's remuneration; these will have an effect on the loan repayment.

2.3.1.9 Programme of study

The programme of study refers to the choice of majors undertaken by the students in a college/university. Previous studies suggest that the programme of study affects personal income and the subsequent ability to repay the loans (Herr & Burt, 2005); (Steiner & Teszler, 2005); (Volkwein & Cabrera, 1998). For example, programmes such as engineering and agriculture have a lower probability of default by over 4% (Volkwein & Szelest, 1995), whilst education, computer engineering, sociology, art, history, risk management and insurance have been associated with higher default levels (Harrast, 2004).

2.3.1.10 Educational attainment

Educational attainment has been found to be an indicator of loan default (Herr & Burt, 2005); (Volkwein & Szelest, 1995). The immediate implication then would be that high school dropouts and those who do not complete their degrees are more likely to default (Podgursky, 2002); (Dynarski, 1994). For example, approximately 60% of black, Hispanic and Asian, and 40% of white students claim that the student loan debt is the main reason for dropping out (William-Harold, 1998). Osing the same line of thought, Steiner and Teszler (2005) also established that students who graduated had a 2% chance of default whereas those who did not graduate had a 14% chance. Furthermore, course credits attempted, transferred,

completed or failed have been found to be the most reliable predictor of loan default (McMillion, 2004). For example, students who complete their courses on time show a lower probability to default (Harrast, 2004); (Steiner & Teszler, 2005), while those students who transfer their credits to another institution are more likely to default (Herr & Burt, 2005).

2.3.1.11 *Parents' income and education*

Parents' income and level of education have been proven to contribute to educational loan default and repayment.

2.3.1.11.1 Parents' income

Empirical studies have established that the parents' income related positively to educational loan repayment (Dynarski, 1994); (Knapp & Seaks, 1992); (Wilms, Moore, & Bolus, 1987). Thus, students who have parents with a high income have been found to default relatively less than those students who have parents with a low income (Baum & O'Malley, College on credit: how borrowers perceive their education debt: results of the 2002 National Loan Survey , 2003); (Woo, 2002); (Volkwein & Cabrera, 1998). It was also found that students with high income parents also perform well in their studies; this is so because higher-income parents can support and meet some of their children's expenditure relating to their studies. However, there are studies that also state that the parents' income has no impact on the educational loans repayments, hence, the results of such topics are mixed in the literature (Volkwein & Szelest, 1995).

2.3.1.11.2 Parents' education

Parental education refers to the parents' academic qualifications, that is, the mother's as well as the father's level of education (Steiner & Teszler, 2003). Those students whose parents have a high level of formal education are considered to be less likely to default when compared to students with parents with low levels of formal education (Choy & Li, 2006); (Volkwein & Cabrera, 1998). This may be attributable to the fact that parents with high academic qualifications have a better understanding regarding loan requirements and repayments. For example, one study affirms that educated parents have a better understanding

of loans, which has a subsequent influence on their children's repayment plans (Eccles, 1993).

2.3.1.12 Knowledge about loan agreement

A loan agreement is a contract between the lender and the borrower which regulates the terms of the loan (Vijayakumar & Subburaj, 2010). Only two studies relating to the loan agreement in the context of the educational loan have been found in the literature (Volkwein & Cabrera, 1998); (Bakar, Masud, & Jusoh, 2006). The first study conducted by Volkwein *et al*. (1998) in a Western context, found that students know about the loan repayment obligations. In this study, 75% of the respondents were aware that the loan had to be repaid while, 25% of them were not clear about the repayment process. Secondly, Bakar *et al*. (2006) conducted their study in a non-Western context and found that university students knew about the loan agreement and loan repayment process (Ismail, Serguieva, & Singh, 2010). The study revealed that knowledge amongst students differed depending on how long they had been receiving the loan. Two-thirds of the students did not know that the loan would be retracted when they were on probation. Despite this clause being articulated in the agreement they signed, the majority were not aware of it. Accordingly, it can be assumed that students did not read the loan agreement carefully. The study also found that students in their first year had relatively less knowledge compared with those in senior years. It was also noted that Chinese students were more knowledgeable than students from other ethnic groups. In addition, students with a higher cumulative grade point average (CGPA) tended to have more knowledge about the loan and repayment compared to those with a lower cumulative grade point average (CGPA).

2.3.1.13 Awareness of education debt

Awareness of education debt refers to information that students have regarding the education debt matters. Studies have found that students obtain this information from parents, peers, friends, professional bodies, and media (Flint, Predicting student loan defaults, 1997); (Dynarski, 1994). A study conducted by Flint (1997) proves that the sources of information are friends, peers and professionals. The credibility of the informants from friends,

professionals and peers were all found to influence subsequent attitudes and behaviours —
particularly in decision-making contexts (Davidson, Yantis, NorwooD, & Montano, 1985).
These informants influence educational borrowing and default prevention by providing
information regarding the availability of loans and repayment requirements. Peers on the
other hand, shaped the borrowers' beliefs, feelings and behavioural tendencies towards loans.
For example, a study conducted by Thein and Herr (2001) shows that senior students at a
university are more aware of the information about loans than junior students. In addition,
Dynarski (1994) states that, generally, the media focuses its attention on defaulters.

2.3.1.14 *Perceptions towards loan repayment*

Perceptions on loan reimbursement and the effects of the loan on the students upon
graduation are also crucial. Postgraduate students have voiced concerns that education debts
prevent them from purchasing cars, buying a residence, having children or moving out of
their parents' homes following graduation (Baum & Saunders, 1998). However, a study by
Millett (2003) disputes these claims noting that the financial aid that college students receive
for their studies does not become so much of a burden that it constrains their options when
they graduate. Concurring, Gray's (1985) study on borrowers established that loan
recompense does not have a significant effect on the probability of being a home proprietor.
Nonetheless, if the loan is carried forward upon graduation, it becomes a critical challenge in
the students' career choices (Fox, 1992), predominantly because students have different
views about repaying the debt they owe (Hira, Anderson, & Petersen, 2000).

Perceptions concerning whether the loan reimbursement will affect a student's individual life
after graduation can be significant regarding predicting repayments and defaults. A study by
Abu Bakar *et al*. (2006) in Malaysia, questioned students about their perceptions regarding
whether the National Higher Education Fund Corporation (NHEFC) — from where they
procured the loan — would affect their lives following graduation. Almost 70% of the
students claimed that loan repayment would delay them from buying cars; while 43.6%
claimed it would delay them from getting married, and 36.1% claimed it would delay them
from having children (Bakar, Masud, & Jusoh, 2006). Getting married in Malaysia is still
intrinsic in cultural practices, hence, it can be very costly — especially for the bridegroom-to-
be (Bakar, Masud, & Jusoh, 2006). Notably, half of all the male respondents, compared with
only 39% of all female respondents, indicated that loan repayment would delay them getting

married (Bakar, Masud, & Jusoh, 2006). Having a loan to pay back may have an impact on the respondents' ability to save for their marriage, which also influences when they will start having children (Bakar, Masud, & Jusoh, 2006). Another rubric also found that students reckoned the quantum of the loan as affecting their volition of when they should get married, have children and purchase a new asset (Hira, Anderson, & Petersen, 2000)(Hira *et al*., 2000). Using the Australian context, Marks (2009) found that loan repayment could have a negative impact on the decision to have children but had no adverse impact on when students should leave the parental home, marry, and accordingly, obtain homeownership. Studies have also shown that students who borrow for their studies can experience impacts on their careers and other decisions for many years in their lives (Lamkin, 2004); (Fossey & Bateman, 1998). On the same token, students who overestimate their future income are also more likely to be longer in debt. A study by Seaward and Kemp (2000) states that those who go into debt might not understand the full implications of their financial behaviour. For example, in a study of 381 college students on the use of credit card loans, only a few were able to report the current interest rate of their credit cards (Warwick & Mansfield, 2000).

Moreover, outstanding loans have also been found to cause stress amongst students in the later years of their lives (Walker, Lea, & Webley, 1992); (Livingstone & Lunt, 1992). Stressful lives owing to high debt have also been found to impact students' perceptions of their quality of life, hence, causing repayments to be postponed (Tokunaga, 1993).

2.3.1.15 *Attitude towards education debt*

The attitude in this sense refers to the borrower's approach towards loans which could affect his or her tendency to default (Volkwein & Szelest, 1995). Scholarly works on attitude and behaviour were initially derived from psychology (Pedalino, Chopick, Saunders, & McHugh, 1992); Bean-Blossom & Rodriguez, 1989). Previous studies within Western societies regarding the relationship between attitude and behaviour were often noted as weak (Volkwein & Szelest, 1995; Livingstone & Lunt, 1992; Baum & Schwartz, 1988). Arguably, relatively few studies have explored the relationship between the students' attitudes towards debt and the probability of default (Abu Bakar *et al*., 2006; Baum & O'Malley, 2003; Volkwein & Szelest, 1995; Livingstone & Lunt, 1992). As a result, students' attitudes relating to loan defaults remain a major area for further investigation (Abu Bakar *et al*., 2006;

Christman, 2000). This is echoed by Orr (1987) and Monteverde (2000) who state in their studies that 'willingness to repay' is more important than the 'ability to repay'.

Attitude can have both positive and negative effects on loan repayments and default. A positive attitude has been found to be an essential predictor of debt repayments. Livingstone and Lunt (1992), in their study, show that those who repay are mostly concerned with personal achievement and self-direction. Hence, a positive attitude towards loan repayment occurs when students believe that loans give them benefits in their lives. Several studies have found that loans are critical to students because of the benefits that students achieve through borrowing (Baum & O'Malley, 2003; Christman, 2000). However, there are studies which have also determined that borrowing has adverse effects, with borrowers feeling burdened and less satisfied with the benefits of borrowing. For example, African American students and those coming from low-income families' report feeling burdened by their loans (Boyd, 1997; Volkwein & Szelest, 1995).

Furthermore, a study by Abu Bakar *et al*. (2006) shows that respondents, in general, have negative attitudes towards loans and loan repayment and that such attitudes would affect the repayment of the loan upon graduation. In their survey, it was conspicuous that 51% of respondents agreed with the statement that it was not easy to repay the loan (Abu Bakar *et al*., 2006). One quarter of the respondents believed that there were no legal penalties for non-repayment (Abu Bakar *et al*., 2006); 9.8% believed that the NHEFC could not trace them to collect the loan; and 48.8% felt that it was difficult for them to make repayments (Abu Bakar *et al*., 2006). Also, a negative attitude towards instalment borrowing has been realised within African American, female, married and unemployed populations (Yieh, 1996).

Changes in one's debt situation may also affect the borrower's attitude toward the debt. The change of attitude can be linked with, for example, the duration of the programme of study and the length of time taken complete it, which did not sufficiently guarantee employment following graduation. For example, Davies and Lea (1995) state that university students are more tolerant of debt, which increased accordingly with more and more time spent within the university. Student counselling has also been found to have a positive influence on the borrowers' attitudes towards loan repayment (Podgursky *et al*., 2002; Seifert & Worden, 2004; Steiner & Teszler, 2005). Students who participate in counselling programmes have been found to be less likely to default.

Conversely, those who did not partake in counselling were found to be strongly related to default (Steiner & Teszler, 2003); (Flint, 1997). Borrowers at Texas A and M University who received exit counselling through in-person contact with a counsellor had a 1.3% default rate, while borrowers who did not receive in-person counselling had an 11.1% default rate (Steiner & Teszler, 2005). Woo (2002), on the other hand, found that attitude correlates with the borrowers' delinquency, where delinquency refers to a debt or other financial obligation on which payment is overdue (Ismail, Serguieva, & Singh, 2010). Attitude has also been found to be related to the students' background and institution's (college/university) characteristics (Ferguson, 2003). For example, two-thirds of the students in one national survey found that race and ethnicity influenced students' attitudes towards debt (Baum & O'Malley, 2003).

Furthermore, students possessed a negative attitude toward debt and default owing to dissatisfaction with the institution, which subsequently caused them to default on their loans (Christman, 2000). Arguably, default and debt repayments are treated as influenced potentially by a complex range of factors. Many factors described above have been found to influence attitude: for example, the students' background characteristic and it is widely studied in the context of educational loans. Similarly, institutional characteristics, i.e. academic experiences found to influence attitude, have also been studied extensively in the educational loan's literature. However, few types of research examine the effects of factors — such as those related to parents' income and education, knowledge about loan agreement, awareness of education debt, and perceptions towards loan repayment — on attitude; all these factors are viewed as important factors that need to be investigated. This study, however, intends to investigate gaps derived from those factors mentioned above that may have been overshadowed in previous studies, which are possible antecedents of students' attitude towards loan repayment.

2.4 Attitude definitions

The term 'attitude' refers 'to the degree to which a person has a favourable or unfavourable evaluation or appraisal of the behaviour in question' (Ajzen, 1991). Additionally, attitude refers to values, ideals, standards, opinions, treatment of understanding, judgment, practice or acts, and ritualised acts (Bain, 1928).

In most cases the meaning of attitude is implicit rather than explicit; implicit means 'implied' rather than expressly stated. It has also been observed that attitude may result in a number of different kinds of action (May, Hartshorne, & Welty, 1927), and may also be categorised as verbal responses, opinions and reasons. However, there is no specific scientific explanation of specific behaviour (Bain, 1928). The definitions and main criteria of attitude based on different research domains are shown in Table 2.3.

Attitude can be classified as being either normal or abnormal (Bain, 1928). Normally, attitude is perceived as a way of acting which is like a value, while an abnormal attitude is a way of acting which is contrary to a value. As an example, abnormal attitude considers the same action of ten people as owing potentially to ten different attitudes. In most cases, the opinion or value could be substituted for attitude without changing the meaning. A person's attitude towards an object is determined primarily by beliefs considered most important to him (Fishbein & Ajzen, 1975). However, it is not feasible to get a precise measure which determines an individual's attitude; this is because beliefs may vary from person to person. An approximation can however, be obtained by considering a few beliefs. Ajzen (1991) assumes that attitudes are linked to, and based upon, beliefs and the evaluative responses associated with such beliefs. Ajzen and Fishbein (1980), further conclude that evaluative meaning arises spontaneously and indeed because beliefs are formed concerning an object. Each belief associates the object with a particular attribute which is embedded within context, culture and memory. Furthermore, attitude has been measured using tools for scientific observation and measurement, such as logic and mathematics (May, Hartshorne, & Welty, 1927).

Empirical evidence has thus far confirmed the complex nature of attitude, because it has multiple characteristics — each of which can be interpreted altogether or separately to describe a human being. These characteristics refer commonly to some hypothetical instinctive, mental, emotional, latent, inhibited and active in the response (May, Hartshorne, & Welty, 1927). Psychologists describe seven ways in which the term attitude is employed, namely, great organic drives (motives), sturdy set, generalised conduct, neural set or readiness to adjust, emotional concomitant (associated) of action, feeling concomitant (associated) of action and accepting or rejecting verbal responses (Symonds, 1925).

2.5 Theories of attitude research

Theory can be delineated as a harmonious set of propositions used to elucidate the apparent relationships amongst specifically observed singularities. A school of thought permits generalisations beyond subjectivity (Zikmund, 2003). Furthermore, a theory is a fact-based framework for describing a phenomenon, presenting a concept or idea which is testable based upon a hypothesis and further supported by evidence. There are several theories relating to attitude research; those usually applied in research are the Self-perception Theory (Bem, 1972), Cognitive Dissonance Theory (Festinger & Douglas, 1962), Attribution Theory (Graham, 1997), Theory of Reasoned Action (Fishbein & Ajzen, 1975) and Theory of Planned Behaviour (Ajzen & Fishbein, 1980a).

The Self-perception Theory posits that people decide on their attitudes and feelings from watching themselves behave in various situations. This theory explains that people develop their attitudes by observing their behaviours (Bem, 1972). The Cognitive Dissonance Theory proposes that people have a motivational drive to reduce dissonance (difference) by changing their attitudes, beliefs, and behaviours, or by otherwise justifying or rationalising their attitudes, beliefs, and behaviours (Festinger & Douglas, 1962). The Attribution Theory is concerned with where individuals place responsibility for incident (Graham, 1997). Importantly, people attribute the behaviour of others or themselves (self-attribution) with something else.

The school of thought of Reasoned Action and the model of Planned Behaviour are widely used in attitude-explaining studies in many different areas/fields relating to attitude and behavioural research. They serve as the basis for explaining how attitude research is formed and developed accordingly.

2.5.1 Theory of Reasoned Action (TRA)

Fishbein and Ajzen introduced the Theory of Reasoned Action (TRA) in 1975, which posits that the individual's social behaviour is inspired by his/her attitude towards the behaviour and the subjective norms. This theory has received considerable attention in the literature (Sarver, 1983). More so, the Theory of Reasoned Action is concerned with the variables of consciously intended behaviours and measures behavioural intention as the prediction of

actual behaviour (Manstead, Proffitt, & Smart, 1983). As the principal predictor of behaviour, behavioural intention is the motivation necessary to engage in behaviour; hence, the more one has in mind to engage in a behaviour, the more likely its performance.

The primary purpose of TRA is to understand the motivational influences on behaviour, which can be explained as follows: if people have a positive attitude and they think others want them to perform the behaviour (subjective norms), this will ultimately increase their intention; thus, they are more likely to perform the behaviour. The first antecedent of intention — namely attitude — is conceptualised as overall positive or negative evaluations of behaviour. Dispositions are the extent to which the performance of the behaviour is valued positively or negatively (Aizen, 2006). The second antecedent of intention — namely subjective norms — is defined as the perception of general social pressures from others to perform or not to perform a given behaviour (Ajzen, 1991). A high correlation of attitudes and subjective values to behavioural intention — and subsequently to behaviour — has been confirmed in numerous studies (Hornik, 2007); (Chang, 1998); (Langdridge, Sheeran, & Connolly, 2007). The intention is an indication of a person's readiness to perform a given behaviour while the behaviour is the apparent, observable response in a given situation concerning a given target (Aizen, 2006).

Furthermore, several quantitative and narrative reviews have thus far provided support for the use of the TRA in the prediction of some social behaviour (Sheppard *et al*., 1988). However, as Ajzen himself concedes, 'The Theory of Reasoned Action was developed explicitly to deal with purely volitional behaviours' (Ajzen & Fishbein, 1980a), and only predicts a narrow range of behaviours usefully.

Volitional behaviour means the choice of behaviour carried out via conscious, personal choice — and is therefore not based on external principles. As a result, Ajzen (1980, p. 132) notes that an extension of the Theory of Reasoned Action is proposed: 'a conceptual framework that addresses the problem of incomplete volitional control'. This extended Theory of Reasoned Action has come to be known as the Theory of Planned Behaviour.

2.5.2 Theory of Planned Behaviour (TPB)

The Theory of Planned Behaviour argues that an individual's performance of individual behaviour is determined by her/his intention toward that behaviour. This theory associates

attitudes and behaviour and is known to be one of the most predictive persuasion theories (Ajzen & Fishbein, Attitude—behaviour relations: a theoretical analysis and review of empirical research, 1980a). Notably, the theory has been applied to various studies focusing on the relations amongst beliefs, attitudes, and behavioural intentions, as well as behaviours in various fields. It was prompted because of arguments stating that intention will lead subsequently to actual behaviour. To gather a more profound appreciation in this regard, the intention is determined by attitudes, subjective norms, and perceptions concerning one's own ability to successfully engage with the behaviour (Ajzen, 1991).

In other words, attitude towards the behaviour, subjective norm, and perceived behavioural control, lead subsequently to the formation of a behavioural intention. Attitude is the degree to which performance of the behaviour is positively or negatively valued (Aizen, 2006), while subjective norms are the perceived pressures 'to perform a behaviour that comes from observing what others say or do' (Fishbein & Ajzen, Belief, attitude, intention and behavior: an introduction to theory and research., 1975). Perceived behavioural control is defined as people's perceptions of their ability to perform a given behaviour (Aizen, 2006).

Numerous researches have illustrated the overall usefulness of the TPB in predicting a wide range of intentions and behaviours (Ajzen, 1991); (Conner & Armitage, Extending the Theory of Planned Behaviour: a review and avenues for further research', , 1998); (Conner & Sparks, 1996, pp. 121-162); (Godin & Kok, 1996); (Pavlou & Fygenson, 2006). For example, the Theory of Planned Behaviour has been used in studies with the purpose of predicting the performance of intention and behaviour. These include the predicting user intention to avoid caffeine (Madden & P S Ellen, 1992), intention to use a new software (Mathieson, 1991), intention to perform breast self-examination (Young, Lierman, Powell-Cope, Kasprzyk, & Benoliel, 1991), intention to choose a career (Vincent, Peplau, & Hill, 1998), intention to choose university studies (Bean &Eaton, 2000); intention to engage in recycling (Taylor & Todd, 1995), and taxpayer compliance (Bobek & Hatfield, 2003).

The Theory of Planned Behaviour has become the most influential and famous conceptual framework for the study of human action (Ajzen, 2001a). This theory was selected for this study to capture incomplete volitional aspects of behaviour — known as perceived behavioural control — which is not typically associated with the Theory of Reasoned Action (Fishbein & Ajzen, 1975). Moreover, the Theory of Reasoned Action is not well-equipped to predict situations in which individuals have low levels of volitional control. As such, this

study employed the Theory of Planned Behaviours to explain the research model. Furthermore, although the Theory of Planned Behaviour has been used in many studies to investigate the influence of attitudes towards a range of social and personal behaviours, TPB has not yet been applied to study attitude in the context of an educational loan.

2.6 Conclusion

The study argues that students possess a negative attitude toward debt and default owing to dissatisfaction with the institution, which subsequently made them to default on their loans. Default and debt repayments are treated as influenced potentially by a complex range of factors. Many factors described above have been found to influence attitude, for instance, the student's background characteristic, hence, it is widely studied in the context of educational loans. Similarly, institutional characteristics, i.e. academic experiences believed to influence attitude, have also been studied extensively in the educational loans literature. Many factors have been identified in previous studies as influencing repayments and defaults in the context of educational loans. In this chapter, factors related to default and repayments with the purpose of demonstrating which area has been studied widely and which area has fewer studies are discussed. Determinants such as the amount of money borrowed, repayment type, gender, parental income, the number of siblings, etc. have also been examined. Thus, attitude can have both positive and negative effects on loan repayments and default.

Moreover, a positive attitude has been found to be an essential predictor of debt repayments. Students who repay are more concerned with personal achievement and self-direction. Hence, a positive attitude towards loan repayment occurs when students consider that loans give them benefits in their lives.

There are several theories relating to attitude research; Self-perception Theory, Cognitive Dissonance Theory, Attribution Theory, Theory of Reasoned Action and Theory of Planned Behaviour.

The next chapter focuses on the methodology applied in the data collection process.

3. CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the research design, the philosophical assumptions, data collection methods, sampling procedures and ethical considerations for this research. The quantitative research design was employed to achieve the objectives of the study which are:

- To identify factors contributing to repayment of a student loan.
- To investigate the student intention to repay the loan and perceptions towards loan agreement.
- To explore the student attitude towards loan agreement.
- To explore strategies to make sure students pay back the loan.

3.2 Research design

A research design explains how the study was conducted. It encompasses the procedures for conducting the study such as how the respondents are treated and the methods of data collection used (McMillan & Schumacher, 2006). A research design presents a plan for generating empirical data and is used to answer research questions (McMillan & Schumacher, 2006). Creswell (2003) noted that research designs could be classified into three broad categories, namely, the qualitative, quantitative and mixed research designs. Each research design carries some implicit and explicit assumptions about what valuable knowledge is and how it is generated. Welman, Kruger and Mitchel (2007) assert that a positivist perspective informs the quantitative approach to research. A positivist approach to research assumes that there is an objective reality that must be studied using objective methods. Creswell (2003) asserts that qualitative research deals with the socially constructed

nature of reality. It emphasises the relationship between the researcher and the object of study, and it acknowledges the value-laden nature of research. The quantitative research paradigm seeks to understand the numerical complex and varied nature of reality by relying as much as possible on the participant's view of the situation being studied. Under the qualitative approach, the researcher used the semi-structured questionnaire with students. A quantitative research design allows the researcher to capture the values, attitudes and perceptions of the students towards the education loans and payment thereof. The researcher developed a comprehensive questionnaire guide which included a list of questions or issues that explored actively and suggested probes for following-up on the critical topics of the study. The questions were then developed to cover the main research topic and were specified, probed and directed to explore the participants' opinions in-depth and to generate the relevant information (Ismail et al., 2010). The researcher allowed short pauses to provide the respondents with the opportunity to reflect on and strengthen their answers. Hence, the research was purely quantitative to solicit the numerical perspective and intention to pay back the loan.

3.3 Population

A population consists of the universe of people or things from which a sample is selected (Saunders, Lewis, &Thornhill, 2003). The population of the study consisted of 1089 of students who were awarded loans in 2011 at the University of Namibia. The participants were students who completed their Grade 12 secondary school in schools located in the Khomas region.

3.4 Sample and sampling methods

Saunders, Lewis, and Thornhill (2003) assert that sampling provides a variety of techniques that enable a researcher to reduce the data that needs to be collected by examining only data from a subgroup rather than the whole population. The sampling methods are divided into probability and non-probability methods. In a non-probability sample the chance of a case being chosen is not known. A contrary view is that of probability sampling in which the chance of being the element to be selected to take part in research is known. For this study

non-probability sampling and convenience sampling techniques were adopted. A convenience sample consists of participants that are readily available when the researcher goes into the field (Welman, Kruger & Mitchell, 2007). The study used convenient quota non-probability sampling because of the respondents' different fields of study, region, gender, and income levels which are all part of the ICL repayment conditions. The study targeted 108 currently employed beneficiaries who obtained loans in 2011.

Population	Sample
1089	108

Source: NSFAF Annual Report 2011/2012

3.5 Data collection and research instruments

Quetionnaires were used to collect data for quantitative analysis in line with recommendations made by previous studies (Welman, Kruger & Mitchell, 2007). The participants were given questionnaires, which they completed and returned. The questionnaire started with a brief introduction of the self and then a series of questions based on the interview guide for respondents who had benefited from the loan scheme (Appendix A). The respondents' participation was on a voluntary basis, after the researcher had explained the purpose of the research. This had to be done to align with good research ethics.

3.6 Data analysis

Quantitative data collected from the closed-ended and open-ended questions were analysed and organised in an ongoing process according to the themes, sub-themes, categories and subcategories that emerged from the use of Quantitative Research Software. Data entry was combined with validation whereby range, structure, and consistency checks were pre-programmed to ease the detection and immediate correction of errors. At this stage, questionnaires with gross errors that could not be resolved were rejected. A pilot study was conducted to test the market and solicit the views of the respondents. All respondents' questionnaires were given computer-derived codes that were specific to each respondent. Data analysis commenced immediately following data entry, cleaning, and checking of the data. The following methods were used to analyse the data: Autocorrelation, Descriptive statistics, Frequency, Probability Plot, Exponential scale, Cross tabulation, Coefficient, Normal P-P Plot of regression standardised residual, Scatterplot and Cronbach's Alpha.

3.7 Reliability and validity

In a quantitative research, validity can be achieved through depth, honesty, the richness of data obtained, and the extent of triangulation, disinterest of the researcher or objectivity of the researcher. On the other hand, reliability can be ensured by maintaining a fit between what the researcher records as data and what happens in the natural setting in which the research is conducted. Thus, in this research, efforts were made to ensure validity and reliability through Cronbach rule. The Cronbach alpha was 0.75 above the normally accepted standard of 0.7 which is explicated below; (Creswell, 2003).

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.758	.814	33

Triangulation in the form of qualitative and quantitative research was also used to enhance validity (Creswell, 2003). The researcher ensured that the research had internal consistency. This means that the researcher made efforts to ensure that evidence in the research sustains any observations made.

3.8 Research ethics

Saunders, Lewis, and Thornhill (2003) explain that research raises numerous ethical considerations such as plagiarism; honesty in reporting and the way people are treated. Qualitative research is likely to be more intrusive in the lives of the participants than quantitative research. This research accounts for some of the ethical issues by adhering to the following points:

- Adhering to the principle of informed consent
- Confidentiality and anonymity

• Respect for the right to privacy among the participants and respondents.

Ethical issues were addressed by ensuring that the data collection techniques did not cause any emotional or physical harm to the respondents. As part of the informed consent and voluntary participation, the participants were contacted and informed of the research before distributing the questionnaires. Confidentially regarding details of sources was given to the targeted population as an express guarantee. Also, before completion of the questionnaires commenced, the researcher emphasised anonymity by assuring respondents that their names would not be mentioned in the study. Targeted participants and information sources had the right to withdraw from the study at any time without penalty.

3.9 Conclusion

The chapter looked at the research design used in this research. The researcher opted for a quantitative research design because it allows the researcher to capture values, attitudes and perceptions. The data was collected using a survey questionnaire. Ethical considerations were considered to ensure that the participants gave informed consent and that their rights to privacy were protected.

4. CHAPTER FOUR: PRESENTATION AND ANALYSIS OF FINDINGS

4.1 Introduction

This chapter presents data on the factors affecting NSFAF's loan repayment conditions. The chapter will present data based on the research questions of the study, namely: What are the factors that affect NSFAF's Income contingent loan (ICL) repayment conditions? To what extent does the student's attitude, perceptions and intention to repay the loan contribute to the repayment of NSFAF student loans? What are the students' understanding and awareness of their student loan debt before graduation? What are the strategies to ensure that graduate students pay back the money?

The researcher employed descriptive statistics to determine the general distribution of the variables using frequency, cumulative and percentage levels, as suggested by Bernard (2012). Applying descriptive statistics also determines the points of central tendency such as mean, minimum, maximum, and standard deviation. Descriptive statistics, semantically entails the use of statistical and graphics techniques to present information about the data set being studied (Boslaugh, 2012)

4.2 Response rate

The study targeted 108 students from the 1089 beneficiaries who were awarded loans in 2011 (NSFAF, 2011/20121). The researcher was granted access to the database of NSFAF since she is an employee of the organisation. The total sample size was 108; the response of the participants is shown below. The total number of questionnaires issued was 108, and 88 were

returned which gave a 81% response rate. This was made possible because questionnaires were self-administered meaning the researcher waited while the participants completed the questionnaires and then collected them thereafter.

Issued questionnaires	Responses	% Non-Response
108	88	31
Total Percentage	81%	

4.3 Internal Consistency, reliability

The validity of a psychometric scale depends on its internal consistency reliability. Cronbach's alpha is the most commonly used index of internal consistency and should be above .70 *(Bernard, 2012)*. The internal consistency reliability of the JSS using coefficient alpha (α) was essential in establishing the validity and reliability of the research study. The table below displays the outcomes of the internal consistency of the study. See table 4.15 (Appendix B) which depicts detailed reliability statistics.

Table 4.0 Reliability Test

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.758	.814	33

Source: Author (2019)

4.4 The Questionnaires Outline

The questionnaire consisted of five sections which are outlined below:

4.4.1   Section A: Demographic variables

4.4.1. Section A: Demographic Variables

The respondents were asked a series of demographical questions; this section consists of eight (8) sub-sections. These are:

Gender, Ethics, Age, Siblings, Region, Parental income, Father Profession and Mother Profession.

4.4.1.1 Gender

Figure 4.1 Gender

State Gender

Male
Female

40.91%

59.09%
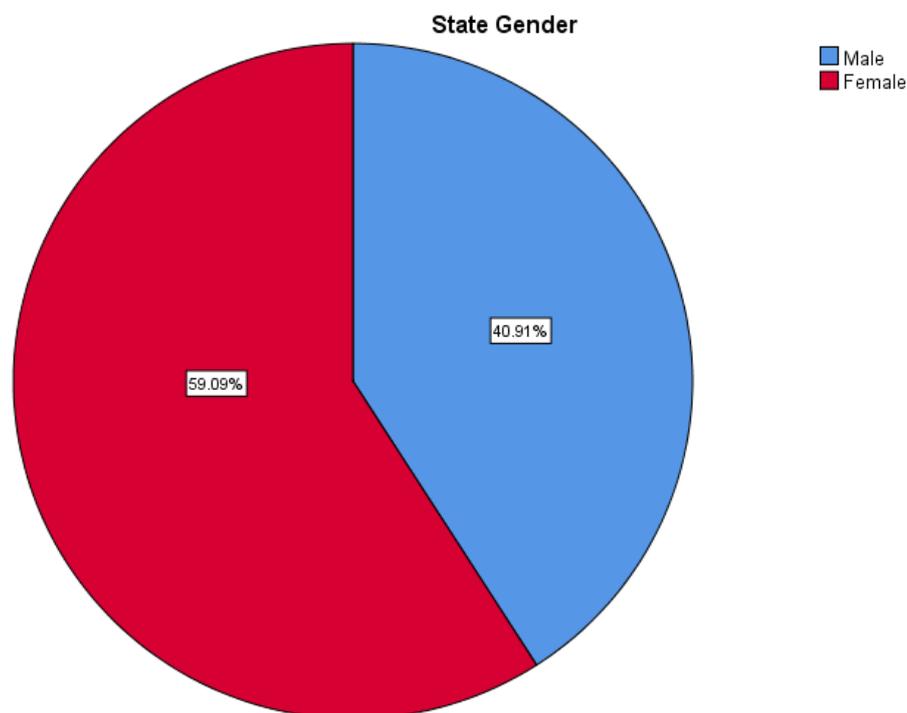
Source: Author (2019)

Forty percent of the participants were male, while 60% of the respondents were female. The Namibian population in terms of gender denotes that there are more females than males, with 51% and 49%, respectively. The Government Gender Policy promotes a 50:50 participation for both male and female representation (Stange, 2018). Chad and Martin (2014) articulate that a higher conception of women ought to be more than household drudge. The woman

should not merely be a nurse to the male but should also be a companion in education and health. For this part, female education is necessary for congenial companionship between educated males and uneducated females who can converse with the male on higher subjects than cookery and maid wages (Chad & Martin, 2014).   This study attemps to shed light on this duration advancement from girls being educated abjectly to girls having the same training as their brothers. This research is consistent with this view in that the difference in participation figures is aligned to the population difference in which there are more females than males.

4.4.1.2 Ethnic Group

Figure 4.2 State your ethnic group
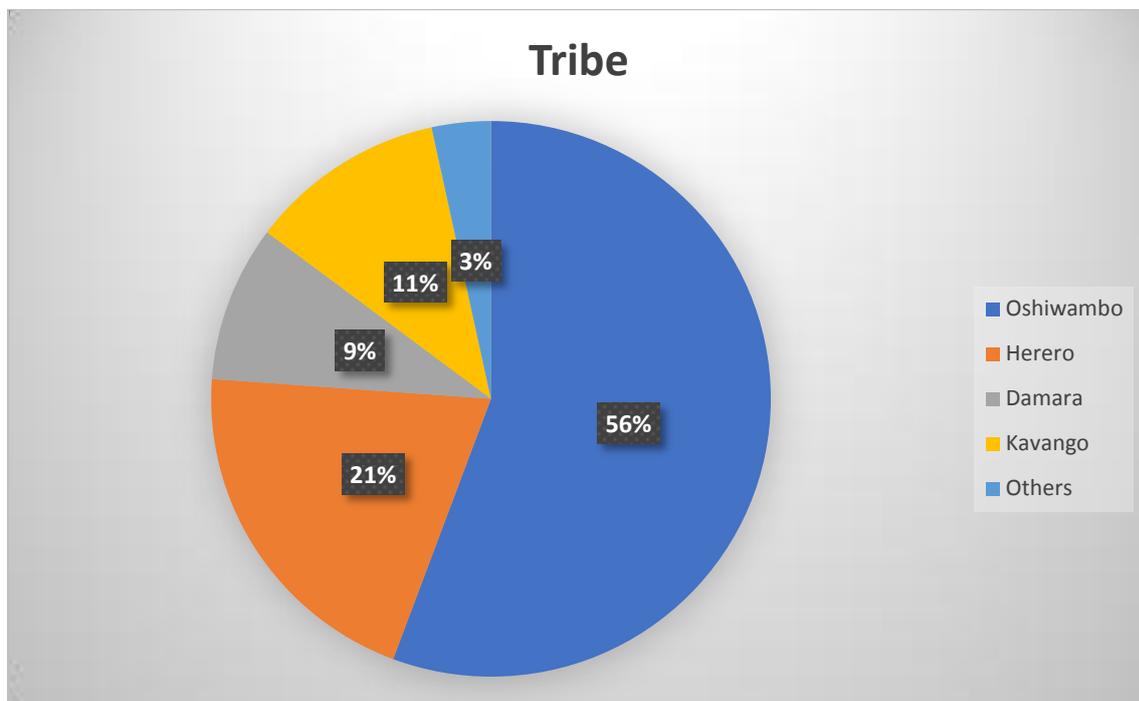
Source: Author (2019)

Fifty six percent (56%) of the participants were Oshiwambo, while 20% of the respondents were Herero. Nine percent of the participants were Damara while 11% of the people surveyed were Okavango, and the remaining 4% of the respondents were others which includes Namas.

4.4.1.3 Age Group

Figure 4.3 State your age group
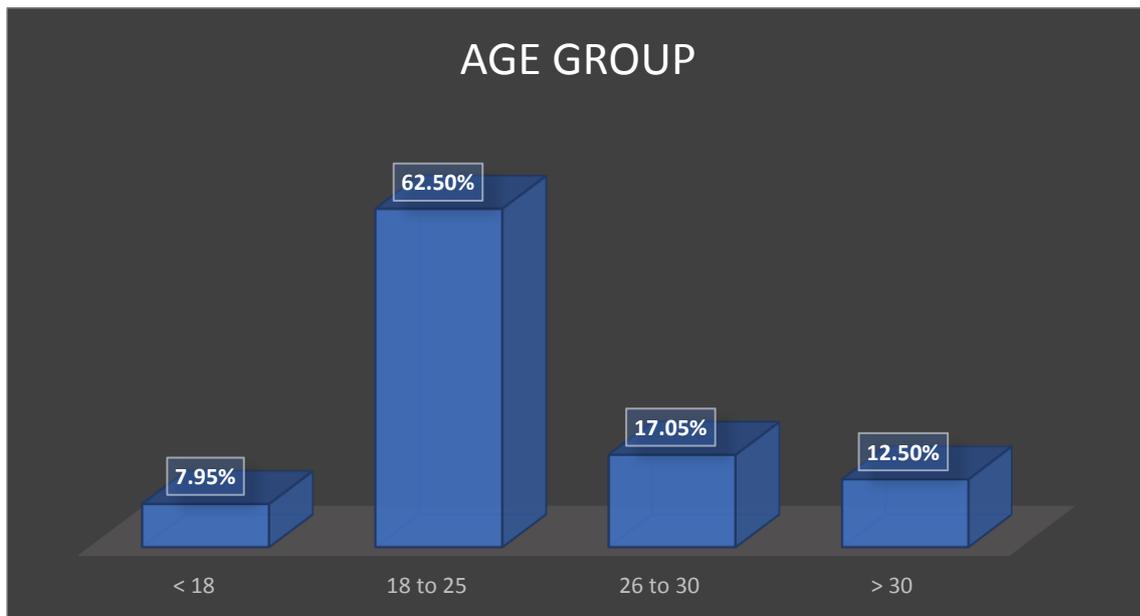
Source: Author (2019)

Seven percent of the respondents were younger than, 18 years of age while sixty two percent of the participants were within the 18 to 25 years range. Seventeen percent of the participants of the respondents were within the 26 to 30 years age range, and twelve percent of the participants indicated an age group higher than 30 years.

4.4.1.4 Number of Siblings

Table 4.2 Number of Siblings

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2	11	12.5	12.5	12.5
	3	20	22.7	22.7	35,.2
	4	14	15.9	15.9	51.1
	5	11	12.5	12.5	63.6
	5.	32	36.4	36.4	100.0
	Total	88	100.0	100.0	

Thirteen percent of the respondents had two siblings, while 22.5 % of the participants had three siblings. Thirty six percent of the respondents had five siblings, and the remaining 15.9% had four siblings to look after. The positive effects of family income are stronger for African Americans, as are the adverse effects of old age. The positive impact of income on sibling reliance is approximately three times greater for Hispanics than for other groups (Moya & Yin, 2016). The reliance of siblings on the parent's income is very high in the African culture than in the European culture which has adopted a capitalistic approach (Moya & Yin, 2016). When the replacement effect outweighs the income effect in African states, university enrolment would be lower, (Brody, 2015). A study by Wakeford (2014) shows that a plethora of tests, ranging considerably in complexity, have been developed by different organisations. From its 1996 survey, TEFSA (1997b: 10) identified five predominant; the first is based on a calculation of the gross annual income accruing to the family, and usually involves a "cut-off" level above which students do not qualify for aid. The second type incorporates family size into the equation. A more sophisticated test includes the circumstances of individual family members, such as the number and status of parents, and the number of dependent siblings and whether they are at school or tertiary level.

4.4.1.5 Region where the participants came from (not completed their grade 12).

Table 4.3 which region are you from?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Kunene	3	3.4	3.4	3.4
	Khomas	24	27.3	27.3	30.7
	Karas	1	1.1	1.1	31.8
	Omusati	7	8.0	8.0	39.8
	Ohangwena	10	11.4	11.4	51.1
	Omaheke	5	5.7	5.7	56.8
	Kavango	7	8.0	8.0	64.8

Zambezi	1	1.1	1.1	65.9
Hardap	3	3.4	3.4	69.3
Otjozondjupa	2	2.3	2.3	71.6
Erongo	11	12.5	12.5	84.1
Oshana	6	6.8	6.8	90.9
Oshikoto	8	9.1	9.1	100.0
Total	88	100.0	100.0	

Source: Author (2019)

The table above shows that most participants making up 27 percent are originally from Khomas region, followed by Erongo region with a percentage of 13% and Ohangwena with 11% . The rest of the regions are under ten percent, this shows that students prefer completing Secondary schools in their regions rather than completing it in schools in Khomas region.

4.4.1.6 Parents' income per month

Figure 4.4 Parents' income per month
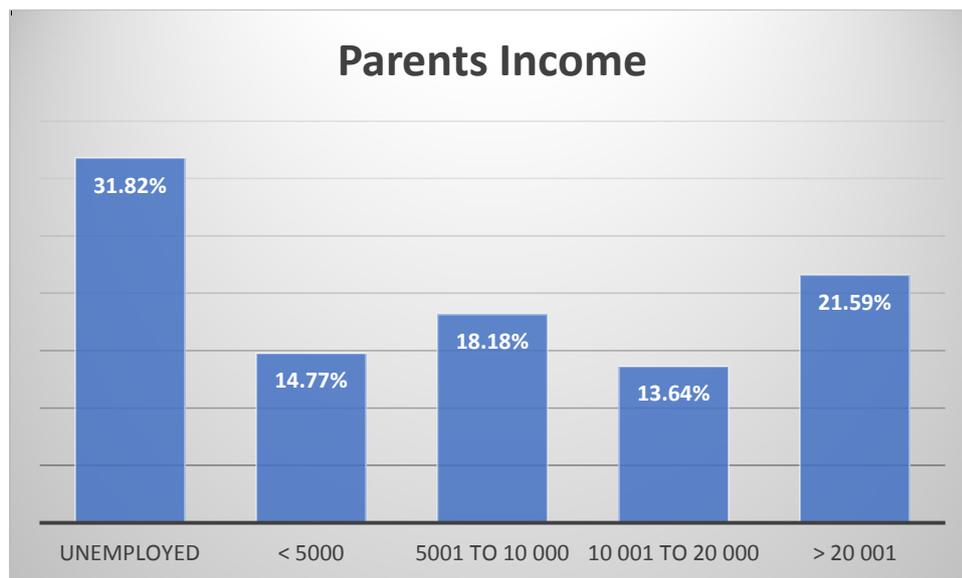
Source: Author (2019)

Figure 4.4 shows that thirty one percent of the students' parents are unemployed, while 14.7% earn less than N$5000 per month. Eighteen percent of the parents earn between N$5001 to N$10 000 per month while 13% earn between N$10 001 to N$20000 per month. The percentage of the students' parents earning above N$20,001 per month is 21.5%.

Parental income is computed as the total revenue of both parents from all sources embracing stipends and salaries, commissions, tips, business revenue, pension income, etc. (Liu, 2015). The parents' role is significant to this study because students can borrow collateral based on their parental income.

According to Liu (2015), parents who are concerned with their children's education subsequently provide collateral for their children. It is also important to note that the students achievements depend on family resources. This shows that parental involvement is important, as there are several schemes requiring testing based on the parents' income as the entry point to enrol in higher education. This essentially means that the parents' financial situation is important determining factor to issue the student loan. In Thailand, for example, family income ceilings are accordingly set for loan eligibility (Baum & O'Malley, 2003).

4.4.1.7 Father's Profession

Figure 4.5 Father's Profession
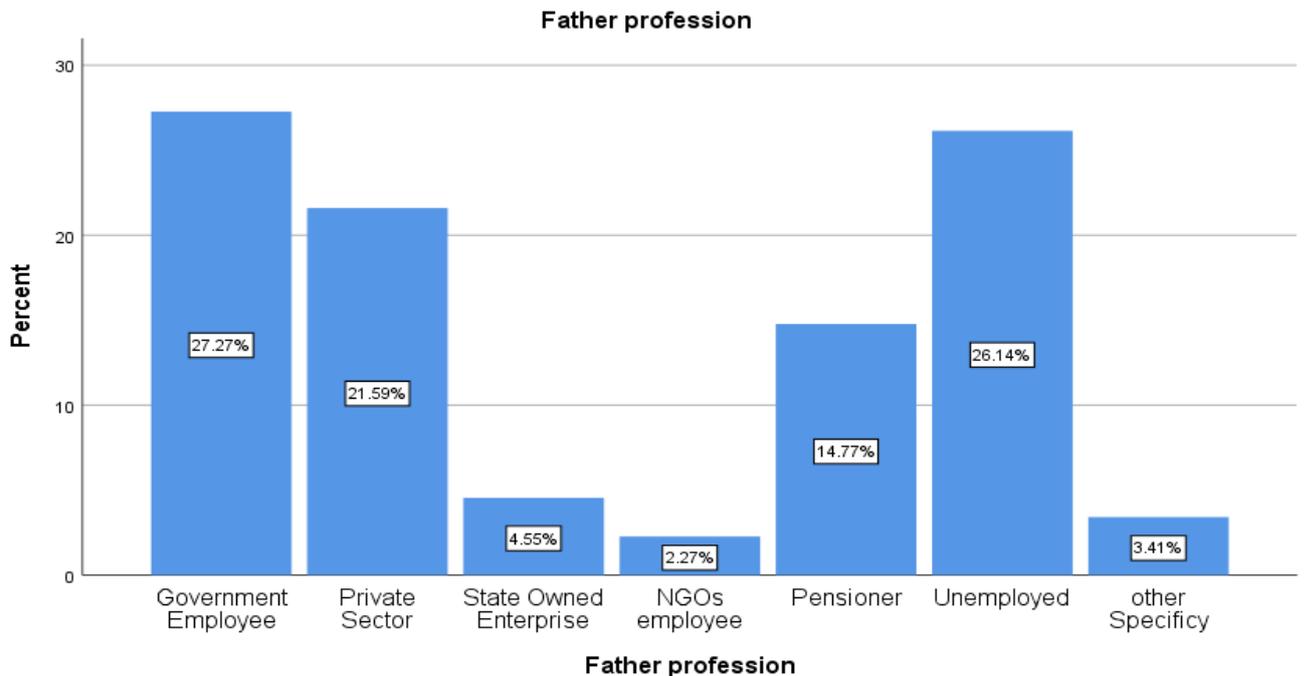
Twenty six percent of the participants' fathers were unemployed while 27.5% of the fathers worked for the government. Only 21.5% worked in the private sector and 14.7% were pensioners. Five percent of the fathers were from state-owned enterprises, while 3.4 % represented others, for example, the deceased. Namibia's unemployment rate increased to 34

per cent last year from 28.1% in 2014. This was revealed by the labour force survey which was conducted by the Namibia Statistics Agency (NSA) in 2014.

The model of equilibrium unemployment approach interprets unemployment as the consequence of the need to reallocate workers across activities and this process that takes time. Given the model of equilibrium, decisions about the creation of new jobs, recruiting and search effort, and the conditions that induce job-worker separations, can be formalised. This means more jobs will be created in high productivity sectors. At the same time, more jobs will be destroyed in low productivity ones, so that job creation and destruction tend to be closed linked. With the exception of Spain where most of the dynamics seem to be driven by reallocation, most differences in unemployment dynamics arise because of differences in responses to shocks. Spain has managed to curtail its unemployment rate due to strategies which the nation has implemented, thereby reducing the unemployment rate from 21% to 15.3% (Balakrishnan, 2017).

4.4.1.8 Mother's Profession

Figure 4.6 Mother's Profession
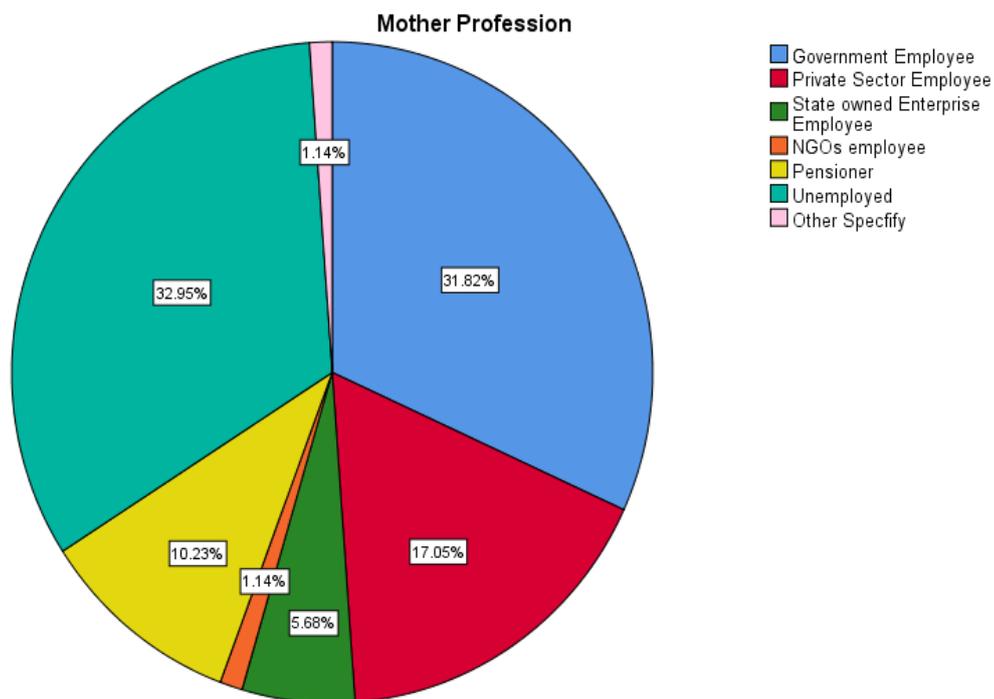
Source: Author (2019)

As shown in Figure 4.6, thirty one percent of the participants' mothers are government employees while 32% of the mothers are unemployed. Seventeen percent of the mothers are employed in the private sector, 10% are pensioners while 5% are working for a state-owned enterprise. One percent of the mothers works for NGOs while the remaining 1.1 % comprises of deceased mothers and those working as domestic workers.

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Statistics show that 70% of the parents work either for the government, private sector or NGOs. In this case, Means Testing takes place since financial aid is targeted at financially disadvantaged students. Each institutional financial aid bureau must have in place a mechanism for identifying and assessing the degree of financial need of an applicant. Thus, institutions designed the "means tests" to assess the financial status of students and their families (Gator Aid , 2018). Only one institution reported that it did not require all applicants to complete a means test, and 57% of the respondents said that every applicant was interviewed. Even so, the question that lingers on is whether the students getting support in Namibia through NSFAF are all from disadvantaged families. This question is important to this study given that the need for pecuniary assistance is to facilitate students from low-income families to meet direct and indirect costs of higher education and to make sure equality of opportunity, equity, and social justice (Kaulinge, 2011).

NSFAF, as a loan/grant plan of the Ministry of Education, its ojective is to assist underprivileged students to carry on with their studies at HEIs in Namibia and globally. The NSFAF was mooted through an Act of Parliament, namely the Namibia Students Financial Assistance Act, Act No. 26 of 2000 (GoN, 2000), to carry out this objective.

4.4.2 Section B: Perceptions towards loan Agreement
This section displays the perceptions of the participants towards the loan agreement.

4.4.2.1 Perception that the loan agreement is difficult to understand

Table 4.4 Cross Tabulation loan agreement is difficult to understand, and the loan agreement written too long

Crosstab

			The loan agreement is difficult to understand				
			Strongly agree	Agree	Disagree	Strongly disagree	Total
The loan agreement was written too long	Strongly agree	Count	7	1	8	5	21
		% within the loan agreement was written too long	33.3%	4.8%	38.1%	23.8%	100.0%
		% within the loan agreement is difficulty to understand	43.8%	42%	27.6%	26.3%	23.9%
		% of Total	8.0%	1.1%	9.1%	5.7%	23.9%
	Agree	Count	6	13	4	3	26
		% within the loan agreement was written too long	23.1%	50.0%	15.4%	11.5%	100.0%
		% within the loan agreement is difficulty to understand	37.5%	54.2%	13.8%	15.8%	29.5%
		% of Total	6.8%	14.8%	4.5%	3.4%	29.5%
	Disagree	Count	2	5	16	5	28
		% within the loan agreement was written too long	7.1%	17.9%	57.1%	17.9%	100.0%
		% within the loan agreement is difficulty to understand	12.5%	20.8%	55.2%	26.3%	31.8%

			2.3%	5.7%	18.2%	5.7%	31.8%
		% of Total					
	Strongly Disagree	Count	1	5	1	6	13
		% within the loan agreement was written too long	7.7%	38.5%	7.7%	46.2%	100.0%
		% within the loan agreement is difficulty to understand	6.3%	20.8%	3.4%	31.6%	14.8%
		% of Total	1.1%	5.7%	1.1%	6.8%	14.8%
Total		Count	16	24	29	19	88
		% within the loan agreement was written too long	18.2%	27.3%	33.0%	21.6%	100.0%
		% within the loan agreement is difficulty to understand	100.0%	100.0%	100.0%	100.0%	100.0%
		% of Total	18.2%	27.3%	33.0%	21.6%	100.0%

Source: Author (2019)

The figure above shows the perceptions of the participants towards the loan agreement between NSFAF and the students. Thirty eight percent of the students strongly agree and agree that the written agreement document is too long, while 63% strongly disagree and disagree that the agreement is too long. Loan agreement refers to contracts between the organisation as a lender and the student as a borrower. The loan agreement contains the requirements relating to loans, as well as the loan repayment. Findings by Ismail (2017), show that the perceptions towards loan agreement refer to how students perceived how it would impact their attitude and affect them in the future. The result indicates that the perceived agreement items such as the loan agreement are too long, difficult to understand, complicated language is used, and not enough time is given to read the loan agreement form; and have little impact on perceived quality (Ismail, 2017).

4.4.2.2 Perception that the loan agreement is not clear and time to sign was too short

Table 4.5 Cross tabulation the time given was not enough, and the language used for loan agreement is not clear

The time given was not enough * The language used for loan agreement is not clear Cross tabulation

			The language used for loan agreement is not clear				
			Strongly agree	Agree	Disagree	Strongly Disagree	Total
The time given was not enough	Strongly agree	Count	4	2	3	5	14
		% within the time given was not enough	28.6%	14.3%	21.4%	35.7%	100.0%
		% within the language used for loan agreement is not clear	44.4%	9.1%	8.1%	26.3%	16.1%
		% of Total	4.6%	2.3%	3.4%	5.7%	16.1%
	Agree	Count	2	11	8	1	22
		% within the time given was not enough	9.1%	50.0%	36.4%	4.5%	100.0%
		% within the language used for loan agreement is not clear	22.2%	50.0%	21.6%	5.3%	25.3%
		% of Total	2.3%	12.6%	9.2%	1.1%	25.3%
	Disagree	Count	2	7	23	4	36
		% within the time given was not enough	5.6%	19.4%	63.9%	11.1%	100.0%
		% within the language used for loan agreement is not clear	22.2%	31.8%	62.2%	21.1%	41.4%
		% of Total	2.3%	8.0%	26.4%	4.6%	41.4%
	Strongly disagree	Count	1	2	3	9	15
		% within the time given was not enough	6.7%	13.3%	20.0%	60.0%	100.0%

	% within the language used for loan agreement is not clear	11.1%	9.1%	8.1%	47.4%	17.2%
	% of Total	1.1%	2.3%	3.4%	10.3%	17.2%
Total	Count	9	22	37	19	87
	% within the time given was not enough	10.3%	25.3%	42.5%	21.8%	100.0%
	% within the language used for loan agreement is not clear	100.0%	100.0%	100.0%	100.0%	100.0%
	% of Total	10.3%	25.3%	42.5%	21.8%	100.0%

Source Author (2019)

Thirty seven percent of the people surveyed strongly disagree and disagree that the language used for the loan agreement is not clear, while the 63% strongly agree and agree that the loan agreement is clear. Forty three percent of the participants also strongly agree that the time given to complete the loan agreement is enough while 57% participants strongly disagree with the statement. Forty four percent of the respondents also strongly agree that the language used for the loan agreement is not clear and that the time given to complete application was not enough. The same contingency of respondents strongly disagree that the language used for the loan agreement was not clear. Forty-seven 47% of the participants strongly disagree that the language used for the loan agreement is not clear while the same contingency of the participants echoed that the time given for the completion of the loan agreement forms was not enough.

The findings of this research are similar to the research done by Kadamus and Rakshit (2016) who observe that all the information about repayment and student loans made available by state agencies (ex: studentloans.gov, nslds.ed.gov) is poorly crafted, calculated to read, language used is not bright, with lots of text, complicated definitions and pecuniary jargon. Even private corporates (ex: Student Loan Hero, Tuition.io) and blogs (ex: The Empowered Dollar) who fare better on design, end up elucidating terms in words, rather than by using visuals, rarely taking into mind users who do not have a basic understanding of pecuniary and credit. Very few borrowers had a substantial consideration of how their

loans were structured. They were intimidated by the math involved to pursue the matter. For example, they had limited knowledge of the way interest is computed, or how much of their principal balance was being recompensed off over time (Kadamus & Rakshit, 2016). The issue of clarity is further enunciated by World Bank (2017); it has been noted on a plethora of occasions that the writing of second and third tranche release requirements. The writing should not be vague and lend itself to several interpretations which do not provide a clear exposition of the measures the borrower is required to take to qualify for the release of such tranche. Such issues should be avoided because the person relying on the message would be clouded and have several interpretations (World Bank, 2017).

When the information is profound and dense as in the case of student loans, but equally applicable in so many other contexts, the act of simplifying and clarifying is profusely valuable to a user. The loan agreement needs to use language that is more easily comprehended. In addition, the loan agreement needs to use language that is more readily appreciated; implying that there was a deficiency of clarity, hence the need to simplify the language used.

Consequently, the phrase was crafted to read 'the loan agreement needs to use more effortlessly understood language'. The researcher has subsequently found that students commonly perceive loan agreements negatively rather than positively. The negative perceptions include the following: loan agreements being too long, the content deficiency clarity, and loan agreements needing to use simple language which is easier to understand. Moreover, students argued that the time given to complete the loan agreement form was not adequate and that their appreciation of the content of the loan agreement and completion of the forms largely depended on the instructions given during briefings at the university on completing the loan agreement form.

4.4.2.3 Perception that the loan agreement is not short and straight forward

Table 4.6 Cross tabulation is not short, straightforward and I understand the loan agreement

The loan agreement is not short, straightforward * I understand the loan agreement cross tabulation

			I understand the loan agreement				
			Strongly agree	Agree	Disagree	Strongly Disagree	Total
The loan agreement is not short, sweet and simple	Strongly agree	Count	7	5	4	2	18
		% within the loan agreement is not short, sweet and simple	38.9%	27.8%	22.2%	11.1%	100.0%
		% within I understand the loan agreement	33.3%	12.5%	25.0%	20.0%	20.7%
		% of Total	8.0%	5.7%	4.6%	2.3%	20.7%
	Agree	Count	3	18	5	2	28
		% within the loan agreement is not short, sweet and simple	10.7%	64.3%	17.9%	7.1%	100.0%
		% within I understand the loan agreement	14.3%	45.0%	31.3%	20.0%	32.2%
		% of Total	3.4%	20.7%	5.7%	2.3%	32.2%
	Disagree	Count	7	12	5	2	26
		% within the loan agreement is not short, sweet and simple	26.9%	46.2%	19.2%	7.7%	100.0%
		% within I understand the loan agreement	33.3%	30.0%	31.3%	20.0%	29.9%
		% of Total	8.0%	13.8%	5.7%	2.3%	29.9%
	Strongly Disagree	Count	4	5	2	4	15
		% within the loan agreement is not short, sweet and simple	26.7%	33.3%	13.3%	26.7%	100.0%

	% within I understand the loan agreement	19.0%	12.5%	12.5%	40.0%	17.2%
	% of Total	4.6%	5.7%	2.3%	4.6%	17.2%
Total	Count	21	40	16	10	87
	% within the loan agreement is not short, sweet and simple	24.1%	46.0%	18.4%	11.5%	100.0%
	% within I understand the loan agreement	100.0%	100.0%	100.0%	100.0%	100.0%
	% of Total	24.1%	46.0%	18.4%	11.5%	100.0%

Source: Author (2019)

Thirty nine percent of the students strongly agree that the loan agreement is not short, clear and simple; the contingency of students strongly agree that they understand the loan agreements. Thirty three percent also strongly agree that they comprehend the loan agreement and strongly agree that it is not short, clear and simple, while 64% of the participants agree that they understand the loan agreement, but at the same time, the loan agreement is not short, clear and simple. Forty six percent agree that they understand the loan agreement while also disagreeing that the loan agreement is not short, clear and simple. Madingo (2016) highlights the essence of making loan agreements simpler and easier to understand with some legalised jargon terms replaced with simple, and straightforward language. It should be noted that some loan agreements are unnecessarily too complicated and even more complicated for people to understand (Madingo, 2016).

4.4.3 Section C: The perception that loan repayment will affect student's life

This section covers the perceptions that parcticipants have, regarding repayment of student loans.

4.4.3.1 Perception that the loan repayment will affect selection of a place to stay

Table 4.7 Frequency table

The loan agreement effect on selection to stay

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	19	21.6	21.6	21.6
	Agree	31	35.2	35.2	56.8
	Disagree	26	29.5	29.5	86.4
	Strongly Disagree	12	13.6	13.6	100.0
	Total	88	100.0	100.0	

Source: Author (2019)

Twenty one percent of the participants strongly agree that the loan repayment will affect the students' decision on the selection of the place to stay, while 35% of the respondents agree. The cumulative frequency of those who strongly agree and agree that the loan repayment will affect the selection of the place to stay is 56.8 %. However, a contingency of 44% strongly disagree and disagree that the loan repayment will affect the students' choice regarding the place to stay.

Figure 4.7 Probability plot for the loan agreement will affect the decision on the selection of the place to stay

Probability-Probability Plot of place
Spreadsheet1 35v*88c
Distribution: Exponential(Scale=2.35632)
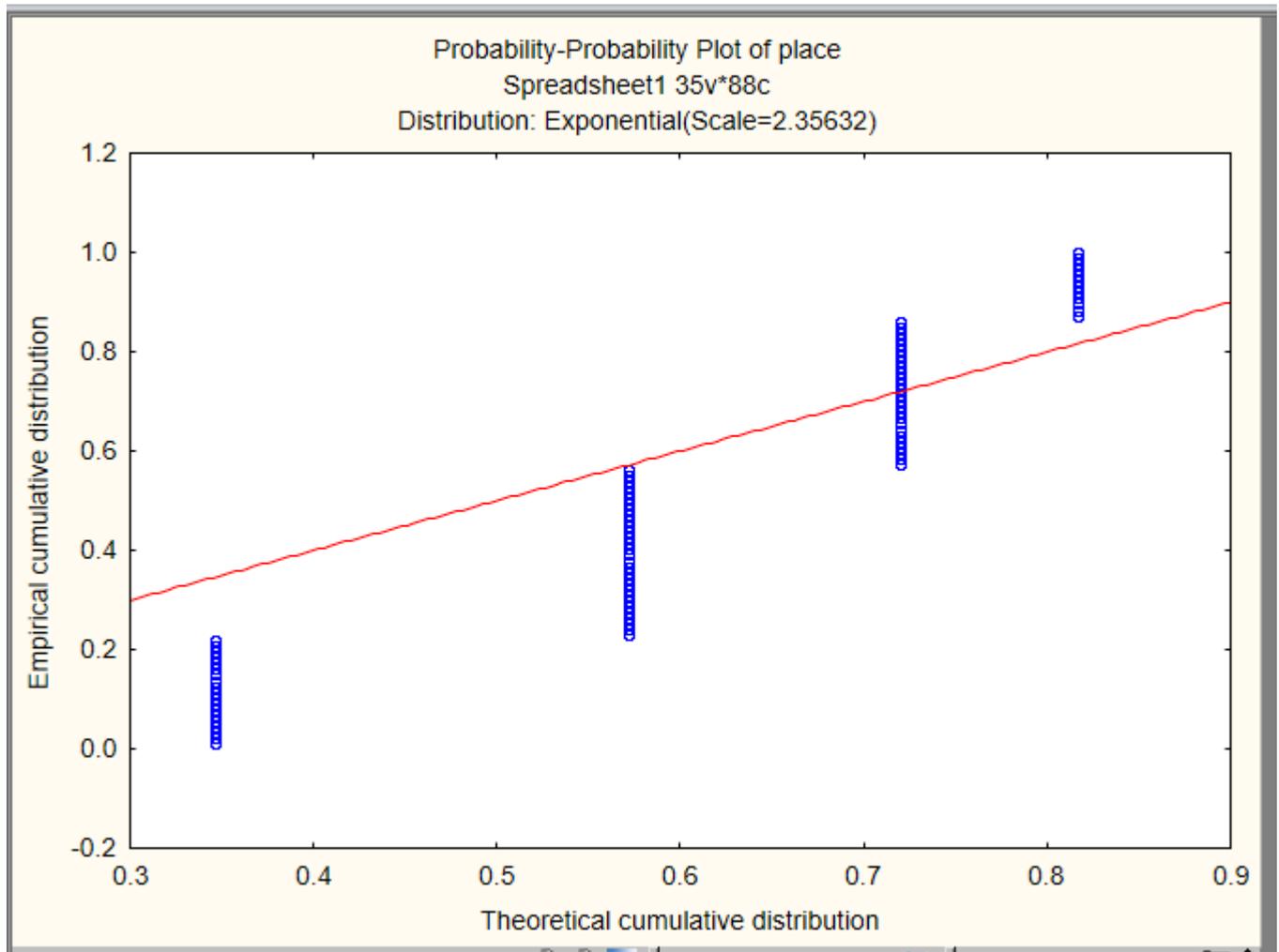
Source: Author (2019)

The probability plot of the loan repayment will affect the student's decision on the selection of place to stay variable shows that the empirical cumulative distribution highest scale is 0.9 while the theoretical cumulative distribution is 0.85. The exponential distribution scale is 2.3 which indicates that the loan repayment will affect the students' decision on the place to stay in the future. This could be due to related factors such as having a less disposal income, the purchasing power being affected and the vicissitudes of macro-economic factors affecting the student's income.

4.4.3.2 Perception that the loan repayment will affect decision to have children

Table 4.9 Frequency Table: Loan affects the decision to have children

Loan affects the decision to have children

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	24	27.3	27.6	27.6
	Agree	18	20.5	20.7	48.3
	Disagree	26	29.5	29.9	78.2
	Strongly Disagree	19	21.6	21.8	100.0
	Total	87	98.9	100.0	
Missing	System	1	1.1		
Total		88	100.0		

Source: Author (2019)

Twenty seven percent of the participants strongly agree that the loan repayment will affect the student's decision to have children, while twenty percent of the students agree that the variable loan repayment will affect students' decision to have children. The cumulative percentage for strongly agree and agree on the variable, the loan repayment and its effects on the student's decision to have children is 48%. Fifty two percent of the students strongly disagree and disagree that the loan repayment will affect their decision to have children. The CEO of fashion brand Chloe observed a trend in Chinese women that is similar to the Namibian women's. In both cases, women are perceived as independent, career-oriented and powerful in gender-based issues. Seventy six percent of the graduates are aspiring to work in government and influential positions. They are less interested in work-life balance, settling down, getting married and having children. Often men are interested in being fathers, whereas women's interests lie in shopping luxurious items (Jones, 2016).

Gobel (2017) underscores that perceptions towards loan repayment and the impact of the loan on the students upon graduation are also crucial. Undergraduate students have voiced concerns that the education debt hampers them from buying cars, buying a home, having juveniles or moving out of their parents' home following graduation. In addition, having a loan to recompense back may have an impact on the respondents' ability to save for their marriage, which also influences when they will start having children (Gobel, 2017). Another survey also found that students reckoned the size of the loan affected their decision of when to get partners, have juveniles and purchase new cars. In the Australian context, loan

repayment can have a negative impact on the decision to have children, but have no negative impact on when students leave the parental home, marry, and accordingly obtain homeownership. Studies have also found that when students borrow for their studies, this can affect their careers and other decisions for many years in their lives (Nissen, 2017).

Figure 4.10 Probability Plot for loan repayment will affect the decision to have children
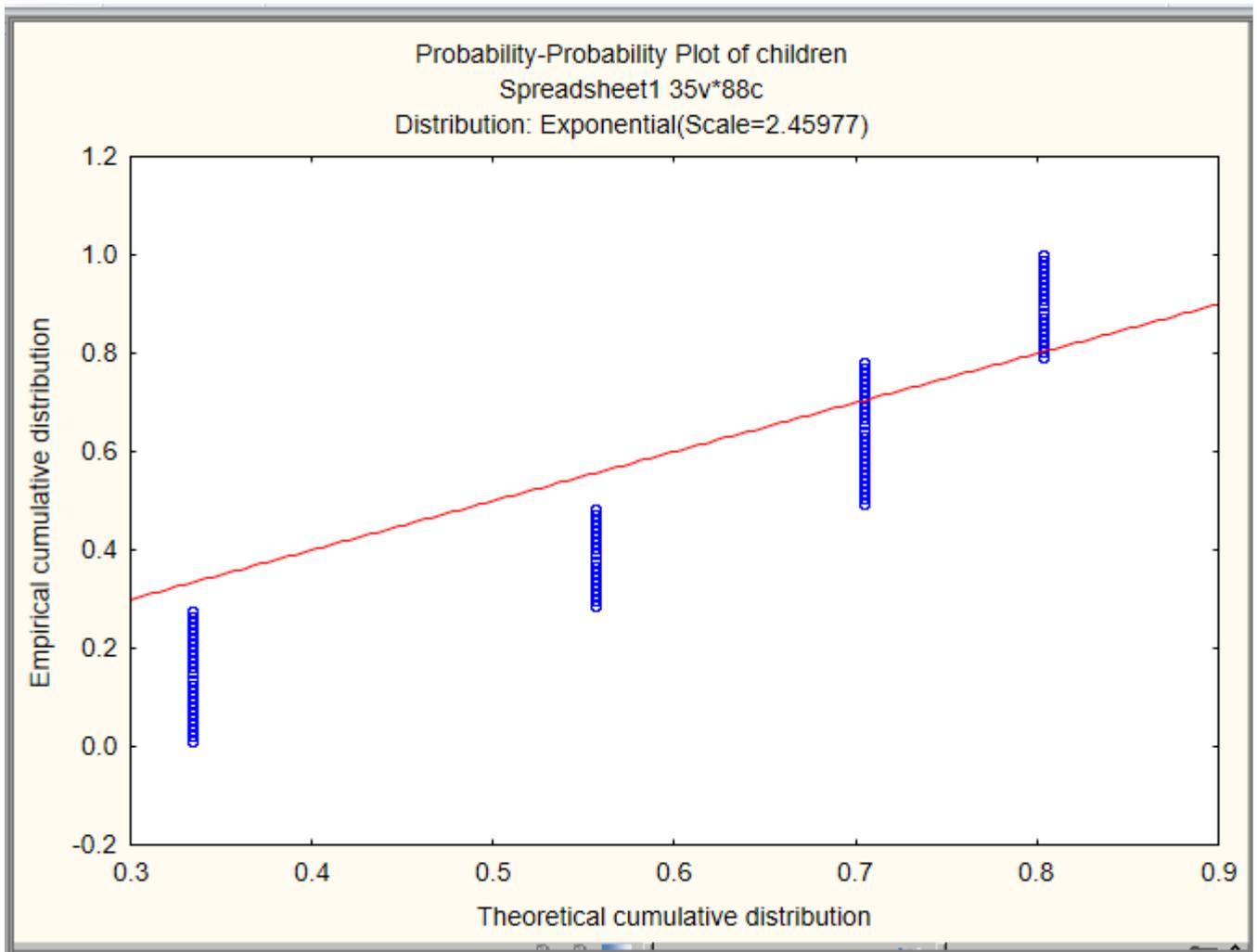
Source Author (2019)

The probability plot shows that loan repayment will affect one's decision to have children. It shows that the cumulative distribution ranges from -0.35, -0.5.6, 0.6 to 0.85. Thus, to a certain extent some students might be affected regarding the decision to have children. For instance, instead of having ten children they may settle for one child or two children. On the other hand, other participants' decision to have children may not be affected by the loan repayments.. The John Hopkins University student pecuniary assistance also has family

involvement which is made up of parental anticipation and student anticipation. This means one's family's capability to pay is subtracted from the total cost of education for the year (Jonh Hopkins University, 2018). The net amount is one pecuniary aid entitlement or financial need.

The John Hopkins University education is a portfolio that appreciates the student's lifetime. As with any long-term portfolios, there are a plethora of programs accessible to assist students. Many households use a mixture of current income, savings, monthly recompense, and long-term borrowing to cover educational expenses. The John Hopkins University is there to support family involvement as the student learns about entitlement for pecuniary aid and explores payment options. Identity application forms and supporting documents are used to identify the family's ability to pay. For each academic year, family involvement is computed. Factors that identify family contribution include both taxed and untaxed income; income taxes paid, the number of family members, the quantum of siblings in undergraduate school, and asset strength, that is, the value of savings, investments, business, and real estate. Johns Hopkins University follows the basic federal needs analysis formula for all federal aid but adjusts that formula when determining eligibility for the Johns Hopkins University grant assistance. Modifications to the underlying federal formula may be made on a case-by-case basis to show more precisely one's family's financial strength (Jonh Hopkins University, 2018).

4.4.3.3 Perception that the loan repayment will affect decision to buy a car

Table 4.9 Frequency: loan agreement affects the decision to buy a new car

		Frequency	Percent	Valid Percent	Cumulative Percent
The loan agreement car decision					
Valid	Strongly agree	20	22.7	23.0	23.0
	Agree	25	28.4	28.7	51.7
	Disagree	28	31.8	32.2	83.9
	Strongly Disagree	14	15.9	16.1	100.0
	Total	87	98.9	100.0	
Missing	System	1	1.1		
Total		88	100.0		

Source: Author (2019)

Twenty-three percent of the students strongly agree that the loan agreement will affect their future decision to buy a car. Twenty eight percent agree that the loan agreement will affect their future decision to buy a car. This gives a cumulative frequency of 51.7%. Thirty-two percent disagree that loan repayment will affect their decision in future to buy a car; while 16% strongly disagree. The US Federal direct loan recompense, when it's time to commence reimbursing one's Federal Direct Loan(s), one can choose a compensation plan thatsuits one's fiscal situation. Generally, one will have between 10 and 25 years to repay a loan, depending on which repayment plan one chooses (Gator Aid , 2018). The University of Florida Loans is reckoned as a self-help aid, since the loan funds must be repaid. To ease the burden on students so that they are able to acquire a car, the University of Florida Long-term educational loans have low-interests (3.86–9%) on loans. Some are no interest loans while others permit one to defer repayment until one graduates, withdraws, or drops to less-than-half-time status. Short-term loans for emergency educational expenses are offered through the Student Fund Assistance and some private colleges.

Figure 4.9 Probability Plot: loan repayment will affect the decision to buy a car
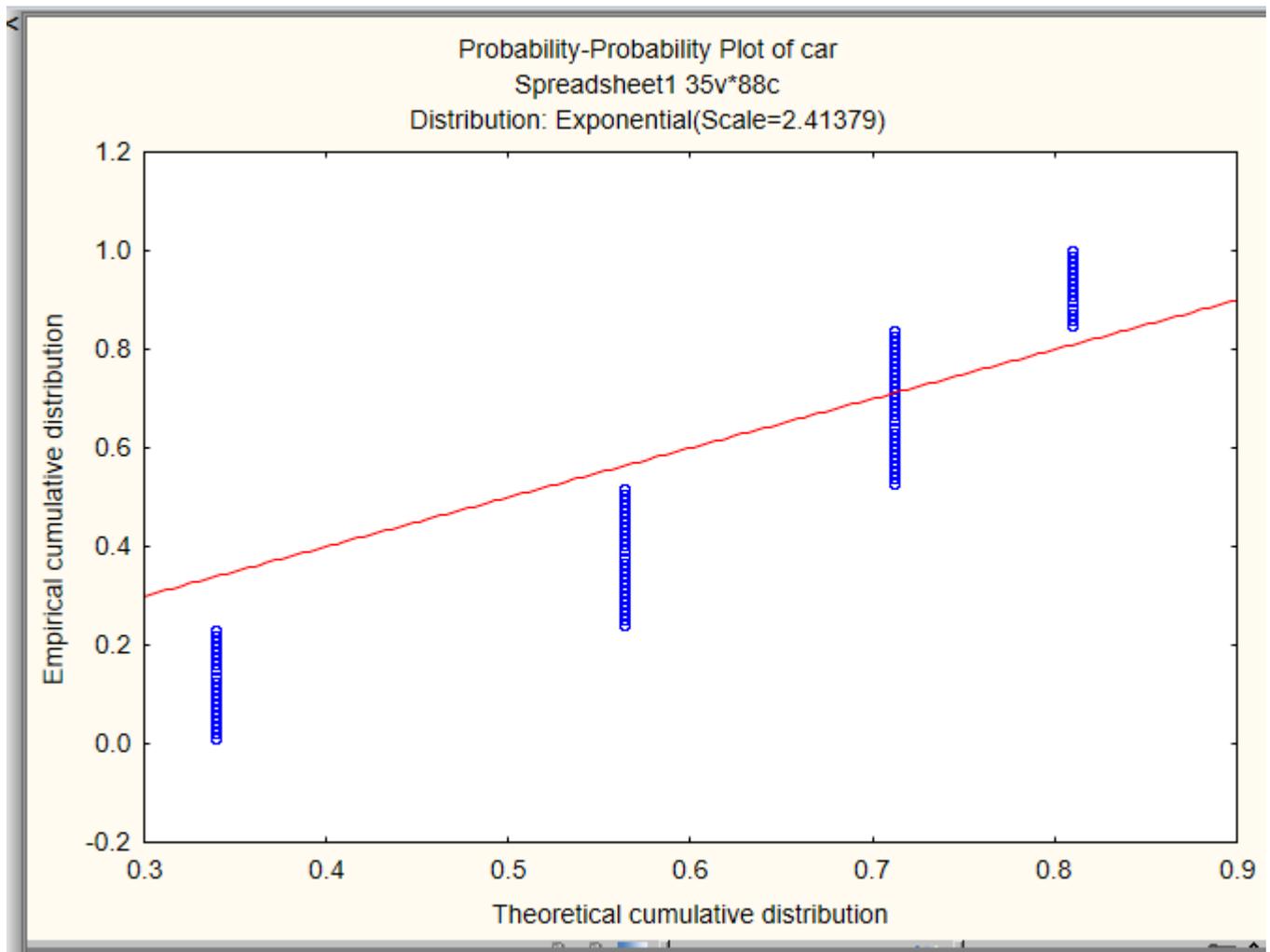
Source: Author (2019)

The exponential probability plot shows that the highest theoretical cumulative distribution is 0.85 which indicates that most of the participants' future loan repayments will affect the decision to buy a car. Another survey also established that students reckoned the quantum of the loan as having an impact on their volition of when they should get married, have children and purchase new assets (Bakar, Masud, & Jusoh, 2006). The findings of this research are similar to those of the Arizona Association of Student Financial Aid (2017). The mission of Arizona Association Student Financial Aid was to furnish the participants with the highest quality of personal and professional growth opportunities. This was done by furnishing ongoing training and access to a broad network of financial aid professionals spanning all types of institutions. Students were also educated on responsible borrowing by providing mandatory entrance and exit loan counselling sessions for future loan repayment and the

ability to acquire assets which are mandatory for all applicants (Los Angels Mission College , 2018).

4.4.3.4 Perception that the loan repayment will affect decision to buy a house

Table 4.10 Frequency Table: loan agreement affects house acquisition in future

Loan repayment affects house acquisition

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	21	23.9	24.1	24.1
	Agree	30	34.1	34.5	58.6
	Disagree	25	28.4	28.7	87.4
	Strongly Disagree	11	12.5	12.6	100.0
	Total	87	98.9	100.0	
Missing	System	1	1.1		
Total		88	100.0		

Source: Author (2019)

24% of the participants strongly agree that loan repayment will affect the decision to acquire houses. 34.5% agree that the loan repayment agreement will affect the decision to acquire houses. The cumulative percentage for strongly agree and agree is 58.8% which demonstrates that there is a challenge that needs to be addressed concerning the students' future ability to acquire houses. The findings of this research can be equated to a study by Abu Bakar et al. (2006) which questioned students' perceptions on whether the National Higher Education Fund Corporation (NHEFC) — from where they procured the loans — would impact their lives following graduation. Almost 70% of the students asserted that loan disbursement would delay them from buying cars and houses; with 43.6% claiming it would delay them from getting married, and 36.1% claiming it would delay them from having children (Abu Bakar et al., 2006). The findings of this research concur with Liu (2017) who states that the welfare of the students is affected negatively. While the alteration in lifetime earnings is one exploration of the efficacy of the policy, ultimately individuals make all their volition to utmost their utility. To make all policies comparable regarding welfare, the tax rate is adjusted under each policy to ensure a neutral state budget. The aggregate welfare measures where everyone is equally weighted. The welfare gain is computed as the annual lump-sum transfer to individuals in the baseline such that the utilitarian state would be indifferent between the new policy and the baseline.

4.4.4 Section D: Intention to repay the loan

This section displays the participant's intention to repayment the loans.

Figure 4.10 Make Repayment a Priority
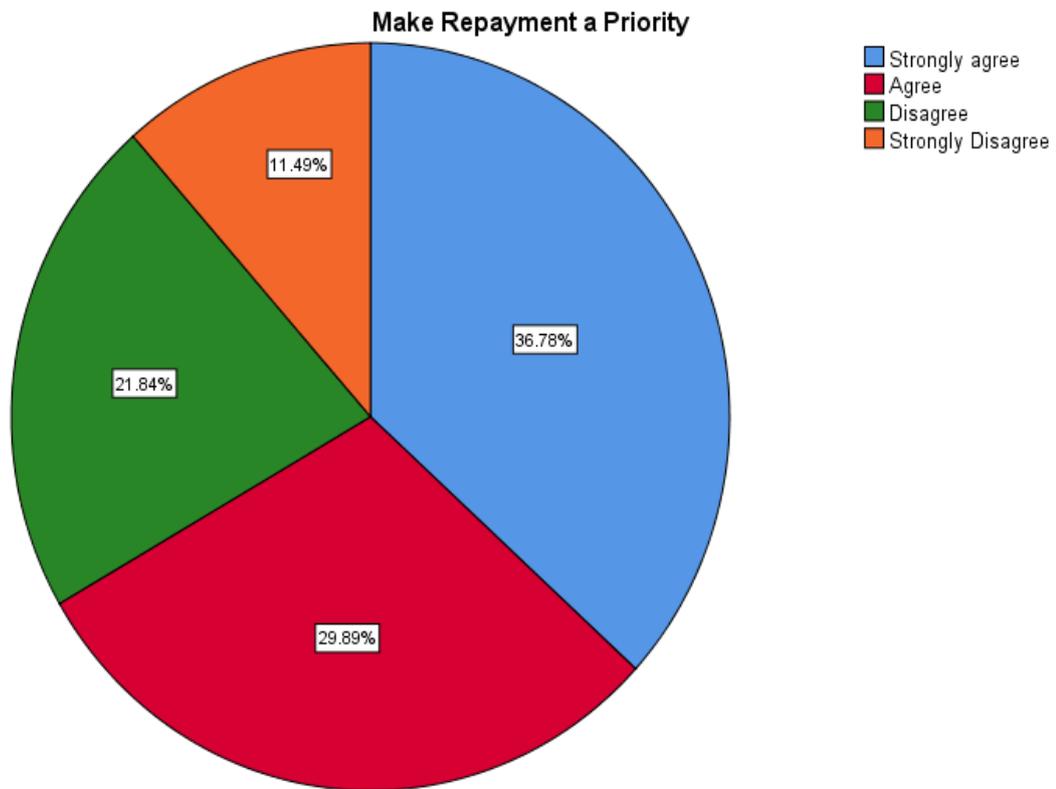
The statistics show that 11.4% of the respondents strongly disagree that they will make repayment a priority, while twenty two percent of the participants disagree. The cumulative frequency for both strongly disagree and disagree that they will make repayment a priority is 33%.On the other hand, 30% agree that they will make repayment their priority and thirty seven percent of the students strongly agree. The reasonable probability - the plot of regression shows a perfect linear relationship between the variables of making repayment a priority and the variable will save part of my salary to pay back the loan. The relationship is a strong positive relationship with probability values greater than 0.05. The researcher rejected the hypothesis which stipulates that there is no relationship between the variables making repayment a priority and will save my salary to pack back the loan, and instead accepted the

hypothesis which states that there is a relationship between the variables because the significance values are greater than 0.05 (Figure 4.11).

Figure 4.11 P-Plot of Regression Standardised Residual
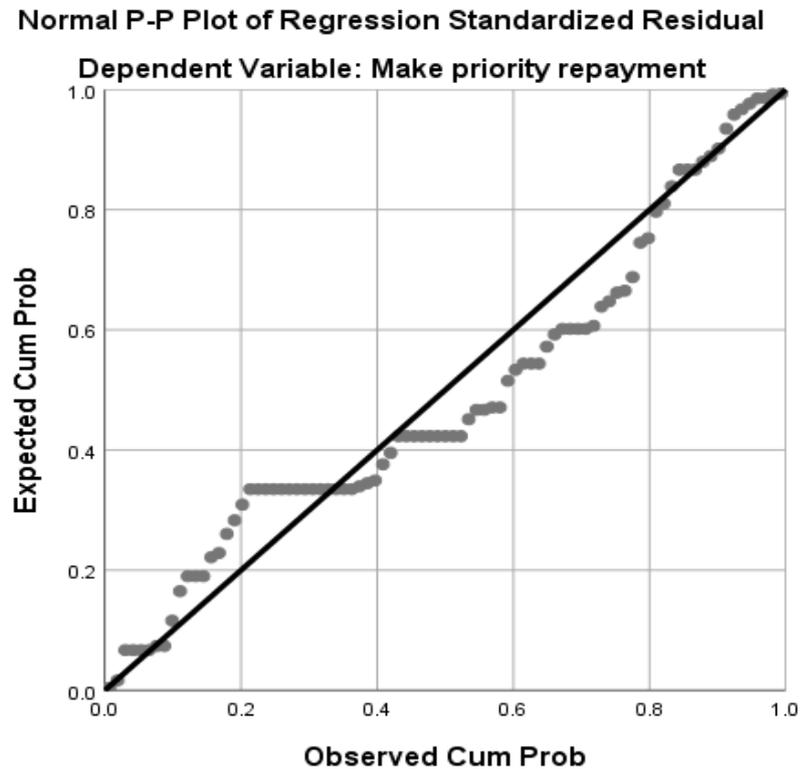
Source: Author (2019)

The findings by North and Smietana (2016) concur that community leaders were worried that they would be pressured into giving **loans** to people who had no **intention** of **repaying**, or had other problems. Hafer (2016) states that if two individuals apply for a student loan, one intending to make payment online, and the other intending not to pay, before the organisation approves the loan, it must determine if the two borrowers are likely to repay the loan. Not knowing with certainty the borrower's willingness to pay off the loan before approving it, illustrates the challenge of asymmetric information between borrowers and lenders. Adverse selection is a condition that occurs when there is asymmetric information between the borrowers and lenders. Adverse selection takes place when a lender cannot distinguish between a high-risk borrower and a low-risk borrower (Hafer, 2016). The foremost duty of a debtor is to repay the loan in fulfilment of the promise or contract made with the creditor. As such, a wilful default or procrastination in payment of the due debt is equated to an injustice (Ajub, 2018).

The Pearson correlation coefficient between the dependent variable 'I will make repayment because it is my priority' with the independent variable 'I will work after graduation to pay back the loan' shows that the significant p-values are more significant than 0.05, thus, showing a stronger positive relationship between the variables. The Oxford English Dictionary defines priorities as a thing regarded as most essential to others. However, when appreciating students' priorities, it is essential to know there is a difference between urgent and vital. Important means a task must be completed, and urgency means it must be done right away (Jamison, 2016). The relationship between the dependent variables 'I will make repayment a priority' with the independent variable 'I will save part of my salary to pay back the loan' resembles a robust positive relationship between the variables. The relationship between the dependent variable 'I will make repayment my priority' and 'I will work after graduation to pay back the loan' shows no positive correlation between the two variables and the researcher rejects the hypothesis that there is a correlation between the constructs.

Table 4.11 Coefficients

Coefficients

Model		Unstandardized Coefficients		Standardised Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.505	.238		2.119	.037
	Work after graduation for Repayment	.561	.103	.516	5.451	.000
	Work savings for loan repayment	-.085	.132	-.076	-.645	.521
	Salary deductions	.579	.151	.505	3.844	.000
	Regular payment to reduce debt	-.233	.134	-.206	-1.739	.086

a. Dependent Variable: Make priority repayment

Source: Author (2019)

The relationship between the variable "I will make repayment because it is my priority" with "I will make regular payment through salary deductions" is shown as non-existent and the significant values are 0.00. There is a significant positive relationship between "regular payment to reduce payment to avoid problems" with the dependent variable "I will make repayment because it is my priority". The researcher accepts the hypothesis between the variables, that there is a significant positive relationship between the two constructs, "make payment as a priority" and "will make a regular payment to avoid problems". The findings of this research are similar to Hauser's (2017) who observes that the most emerging (and some developing) states have a system of public student loans, with over 70 countries federally subsidising student loans.

Table 4.12 Autocorrelations

Autocorrelations

Series: Salary deductions

Lag	Autocorrelation	Std. Error	Box-Ljung Statistic		
			Value	Df	Sig.[b]
1	.040	.105	.147	1	.701
2	-.093	.104	.950	2	.622
3	-.034	.104	1.060	3	.787
4	.067	.103	1.480	4	.830
5	-.049	.102	1.709	5	.888
6	-.095	.102	2.586	6	.859
7	.009	.101	2.594	7	.920
8	.082	.100	3.259	8	.917
9	-.108	.100	4.437	9	.880
10	.036	.099	4.572	10	.918
11	-.107	.098	5.764	11	.889
12	.039	.098	5.922	12	.920
13	-.035	.097	6.051	13	.944

14	.052	.096	6.347	14	.957
15	-.180	.096	9.864	15	.828
16	-.020	.095	9.910	16	.871

a. The underlying process assumed is independence (white noise).

b. Based on the asymptotic chi-square approximation.

Source Author (2019)

The table above shows autocorrelations; for "I will make regular payment through salary deductions" variable having probability values higher than 0.05. This symbolises a robust positive correlation between the variables because all the lags from one to sixteen demonstrate that the constructs are robust. Students strongly agree and agree (81%) that they will make regular payments while 19%, disagree and strongly disagree that they will not make payments. A study by Mardon (2018) demonstrates that in New Zealand there is an enterprise recruiting students' loan beneficiaries; the enterprise deducts PAYE and student loan from their salaries and wages called the repayment threshold. It is the onus of the alumni graduate to notify their human resource staff in writing that they have a student loan and advise the employer to start deducting the loan repayment.

Table 4.13 Descriptive Statistics

Descriptive Statistics

	N	Minimum	Maximum	Mean		Std. Deviation	Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Statistic	Std. Error
NSFA can trace loan holders	86	1.00	4.00	1.6977	.09512	.88211	.588	.514
Legal obligation for non-payment	86	1.00	4.00	1.9186	.10358	.96058	-.683	.514
Effort to make payment	86	1.00	4.00	1.8256	.10486	.97247	.182	.514
Repayment is an obligation	87	1.00	4.00	1.8161	.09882	.92169	-.035	.511
Repayments help students	86	1.00	5.00	1.8256	.10744	.99637	.660	.514
Valid N (listwise)	86							

Source: Author (2019)

The mean for the variables are NSFAF can trace loan holders, repayment is my obligation, effort to make payment, NSFAF can trace the loan holders to collect loans, and lastly, there is a legal obligation for non-payment. The mean statistics variables range from 1.6 to 1.8, which demonstrates that the participants strongly agree and agree. Participants on average strongly agree and agree that repayment can help other students, and robustly agree and agree that repayment is their obligation. On average respondents agree and strongly agree that NSFAF can trace the loan holders to collect loans. Students also strongly agree and agree that there is a legal obligation for non-payment. The minimum statistics symbolises strongly agree while the maximum figure is four which is the strongly disagree construct. The kurtosis refers to how flat or peaked the curve is (Norman&Streiner, 2017). The kurtosis is 0.5 throughout showing a normal distribution called the platykurtic. When the classic bell curve is short, it is called the mesokurtic while a peaked distribution is leptokurtic. The findings of this research concur with OECD (2014) which stipulates that student loans are therefore an incredible resource; the students' loans revolve, thus, paying loans will help other students.

4.4.5 Section E: Student attitude towards loan repayment

Figure 4.12 Repayment is an Obligation
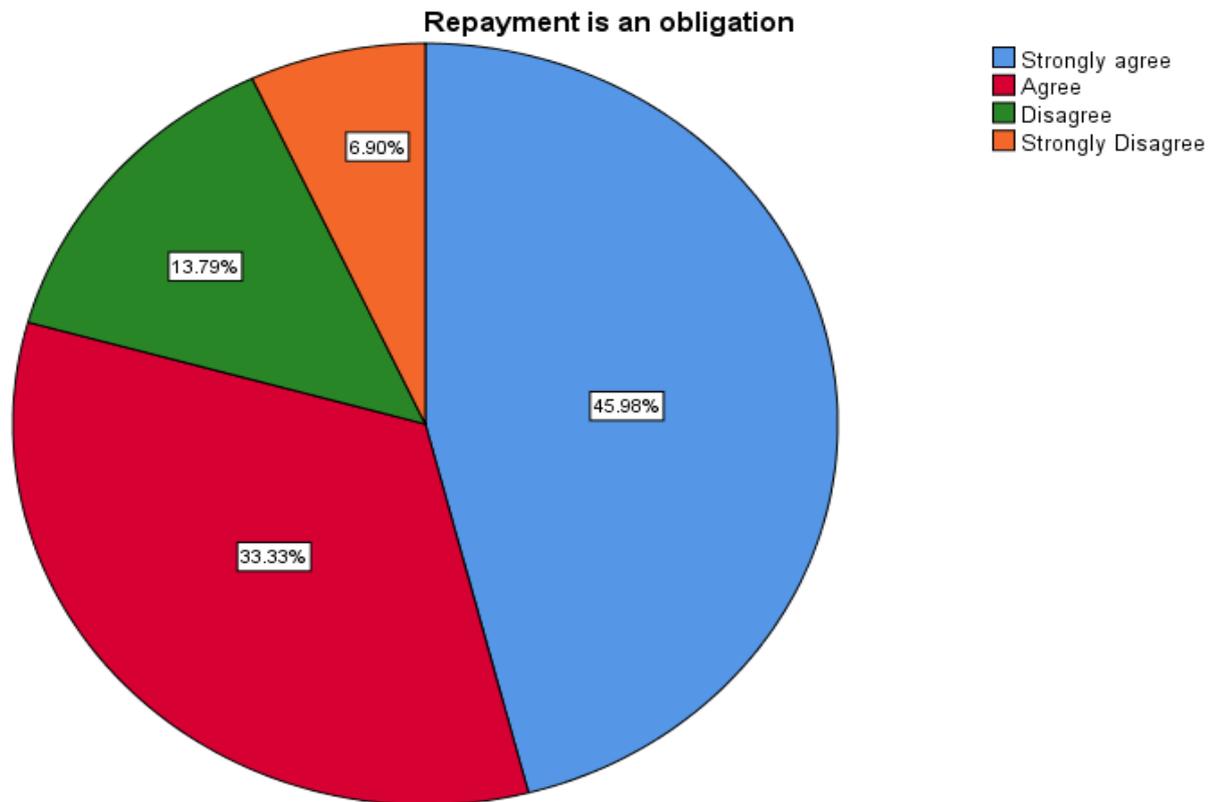
Source: Author (2019)

The pie chart shows the loan repayment obligation; forty five percent strongly agree that student loan repayment is an obligation while 33.3% agree that student loan repayment is an obligation. On the other hand, six percent strongly disagree, while 13% disagree that student loan repayment is their obligation.

Table 4.14 Autocorrelations on repayments help students

Autocorrelations

Series: Repayments help students

Lag	Autocorrelation	Std. Error	Box-Ljung Statistic		
			Value	Df	Sig.[b]
1	-.066	.105	.392	1	.531
2	-.113	.104	1.577	2	.454
3	-.052	.103	1.834	3	.608
4	.088	.103	2.553	4	.635
5	-.022	.102	2.599	5	.762
6	-.111	.102	3.798	6	.704

7	-.044	.101	3.989	7	.781
8	-.009	.100	3.996	8	.857
9	.068	.100	4.457	9	.879
10	-.012	.099	4.471	10	.924
11	-.251	.098	10.977	11	.445
12	.106	.098	12.162	12	.433
13	.025	.097	12.228	13	.509
14	.066	.096	12.703	14	.550
15	-.104	.095	13.879	15	.535
16	.002	.095	13.880	16	.608

a. The underlying process assumed is independence (white noise).

b. Based on the asymptotic chi-square approximation.

Source: Author (2019)

Another positive externality articulated is the increase in tax payments resulting from the increased individual earnings, titled a "tax dividend" (Barr, 1993). Additional challenges arise from a fair market provision in higher education pecuniary due to missing market problems in the absence of tangible collateral. The conceptual frame of reference for human capital market failures began with the economist Milton Friedman (1955) who observes that a deficiency in the human capital markets causes underinvestment in higher education without state involvement. Because an education is abstract, unlike a house or car, it cannot be recuperated in the event of non-reimbursement, and therefore will not receive the same degree of investment from the capital markets and lenders, unless a high-interest rate is charged. College degrees are risky investments, as the invester is not guarentee of a return on inverstment, especially if the student does not obtain the degree and find employement, thus complicating the situation for investors.

4.5 Factors contributing to non-repayment of a student loan

Figure 4.9 Factors contributing to non-repayment of a student loan
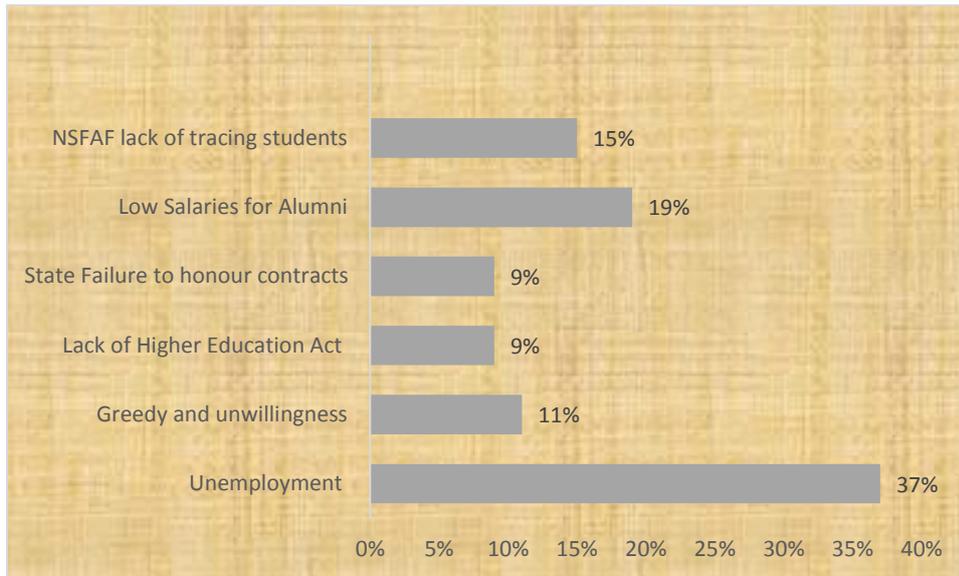
Source: Author (2019)

Thirty seven percent of the participants indicated challenges related to unemployment, which makes it difficult to pay back the money. Nineteen percent of the students highlighted that some of the alumni were paid poorly, hence, they could not afford the repayment. However, 11% of the students are just unwilling to pay their loans because of greed. Another 9% of the participants highlighted that the government amended the NSFAF Act in 2014 making it mandatory for students to pay back the loan. This is particularly so because other alumni do not want their employers to know that they benefited from the NSFAF. The Act should make it compulsory for employers to disclose students who have benefited from the NSFAF and then deductions are effected. The remaining 9% of the students highlighted that the government had violated the contract by failing to pay them on time.

4.5.1 Unwillingness and Greed

The students underscored the need for NSFAF to be sustainable. They were concerned that NSFAF will not be able to fund other students in the future if students defaulted in the payment of their loans. However, other students suggested that action should be taken against those who benefited from the system but failed to repay the loans because of greed. To avoid

repayment, some of the students never divulged to their employers that they had benefited from the system. Other students stated that they were unwilling to pay back the loan. The willingness to pay and understanding the contract are likely to motivate students to contribute to the revolving fund and doing so would help other students to benefit too.

4.5.2 Lack of tracing

Some of the students do not contact NSFAF after graduation; they play truancy and disappear. Hence, failure to trace the students due to loopholes in the system is one of the reasons given by participants for not paying the loans. Tracing the beneficiaries through their contact details has been identified as a significant determinant which contributes to the repayment of student loans. When people are traced, and are willing to pay, it eases the burden of non-payment. The loan recipients records indicated that the NSFAF has become unreliable and has violated the contracts issued to students by failing to honour commitments. In addition, the unavailability of funds to fully fund students pursuing their tertiary education can be one of the factors leading to failure to pay loans. Students will be faced with lack of funds to pay for their studies. Since most of these students come from low-income families, the repayment of the loan becomes a challenge to them. This could be aggravated by alumni who are working, but earning meagre salaries, which means they cannot afford to pay their loans.

4.5.3 Unemployment Factor

The unemployment determinant has been identified as a hindrance to the repayment of student loans. This means that when students graduate, there is no employment for them, thus will be unable to pay back their loans. There is uncertainty that students will be employed after completing their studies, hence, they will not pay back the loan on time or will be unable to pay it. Other students highlighted that finding a well-paying job was difficult, hence, repaying the loan becomes challenging. The need to repay loans is underscored by the Research by the National Audit Office (2017), by noting that the loans issued are just like mortgage loans because borrowers repay a fixed monthly amount over a fixed period.

Studies on progression loans have identified a plethora of factors contributing to defaults and repayments. These include the characteristics of students as they begin college, which are family income, race/ethnicity, and students' college experiences and the type of institution,

the field of study and educational outcomes. Also, students' financial aid and the amount of debt they incurred are believed to be pertinent factors. Arguably, these factors reflect on the students' attitudes towards repaying loans. Relatively few studies have so far explored the relationship between students' attitudes towards debt and the likelihood of default, which is the underlying theme of this study (National Audit Office , 2017). The students should provide the name of the person who should pay for them just in case they fail to pay.

Subsequently, the factors contributing to educational loan defaults and repayment include the economic, sociological and psychological contexts — all of which have been discussed above. Under the economic context, the amount of loan borrowed, the repayment type, as well as unemployment and income uncertainties have all been explained. Regarding the sociological and psychological contexts, various areas have been considered. These include students' background details, institutional characteristics, academic experiences, parents' income and education, knowledge on loan agreement, awareness of the education debt, perceptions towards loan repayment, and attitude towards education debt; all of which have been discussed. Other factors identified included ignorance and lack of legal action by debt collectors against those students who are not paying.

4.6 Research objective: To explore strategies to make sure that the student pays back the loan

Students echoed the need to implement education and training to students so that they can understand the contract. The education and training should enlighten the students on the essence of repayment of the loan. This should be done during orientation and just before graduation. Some students indicated that the loan repayment should be mandatory, and defaulters should be listed on the Credit Bureau. Other students indicated the need to trace the students who benefited from the scheme by creating a database of students which has names of parents, where they are working, and the use of collateral for the loan repayment. Designing online tracking packages for students who benefited from the scheme was also suggested as a strategy to assist the government to recover money from the defaulters. In addition, NSFAF could trace the alumni who benefited from the scheme through the Department of Taxes and National Social Security organisations, and the public service department and private sector. This can be accomplished if staff members collaborate with these organisations. Designing bespoke software for NSFAF will assist in tailor making and meeting the needs of the organisation. Some students echoed the essence of having a robust

debt recovery management software. Others indicated that NSFAF should be instrumental in collecting debts for the future use of other students. Furthermore, interventions such as creating awareness by creating a strategic communication plan for NSFAF will assist to recover debts from students who benefited from the scheme. Having a strategic communication plan to reduce the debt of students and promote wilful student repayment is a critical strategy. Some students highlight the need for the government to create a job market and industries which would absorb the graduates to enable them to pay back the loans. Other students indicated the essence of the government to amend legislation or NSFAF Act 2014 to empower Human Resource Managers to effect deductions after verification with NSFAF if the students benefited from the scheme.

4.6.1 Repayment burden

Findings on a study by Huuser (2017) to ease the burdens experienced by students for repayment shows that there are different repayment methods which are crafted as standard repayment, namely, economic hardships, the student loan disbursement tax deductions and income contingent for single, married and family of four. The repayment options of standard, income-based repayment (IBR), Pay-As-You-Earn (PAYE) and a recent legislative proposal titled the Student Loan Fairness Act (SLFA) are predicted for both debt levels, although sufficient data is unavailable for the exact replication. Before estimating repayment schemes, all financial data from debt levels to individual wages were inflated to 2017 prices (Hauser, 2017).

Variation in personal subsidies and average costs derived from the repayment options are modelled by income quintile. The standard repayment approach is meant for students who should pay at no interest rate or very minimum interest rates; for students experiencing economic hardships, that is, those not working full time or not working at all. The income contingent for single, married and family of four have different repayment status with an extended repayment period ranging from 10 to 25 years (Shirema, Asher, & Talwalker, 2016).

4.6.2 Provision of credits to ease the burden for repayment loan

A research by Liu (2015) notes that to increase university access and reduce the burden of student loan debt, the US recently mooted several new tuition and student loan policies. These encapsulate the newly proposed free society college plan and the recently enacted Pay as You Earn plan that makes student loans recoupment contingent on earning. Rising charges of and returns to university have led to sizeable increases in the demand for student loans in many countries. In the U.S.A., student loan default rates have also risen for recent cohorts as labour market uncertainty and debt levels have increased. These trends as well as recent evidence on the extent to which students can obtain enough credit for college and the extent to which they can repay their student debts after. Liu (2015) proposes optimal student credit arrangements that balance three critical objectives, namely, (i) providing credit for students to access college and finance consumption while in school, (ii) providing insurance against uncertain adverse schooling or post-school labour market outcomes in the form of income-contingent repayments, and (iii) providing incentives for student borrowers to honour their loan obligations (in expectation) when information and commitment frictions are present.

4.6.3 Income-contingent, Standard, Graduated loan and No Interest Loan

A study by Shrag (2017) stipulates that an obligation to pay the loan with the state direct loan program and choosing income contingent repayment option may be temporary. A graduate who has a meagre income may decide to sign a mortgage to buy a house. The mortgage may decide that a student does not qualify to look for student repayment terms for ten years. Also, the graduate may elect income contingent payment to reduce the student loan repayment obligations to a minimum level to obtain a mortgage and convert a different repayment plan when there is a convenience to do so (Shrag, 2017).

The state loan obligation repayment plan options may be standard, graduated, extended and income sensitive. The income contingent loan repayment obligation is a monthly payment based on income and family size up to 25 years. The borrower is responsible for paying taxes on the amount discharged (Ajub, 2018). The income-sensitive loan obligation repayment are monthly payments based on income and the total loan amount for up to 10 years for loans

only. An extended loan repayment obligation is fixed or gradually increases over 25 years for a loan debt that exceeds $30 000 (Morgan, Moore, & Greenslade, 2018). The graduated loan repayment obligation entails monthly payments starting lowly and gradually increasing over time for a period up to ten years. The standard payment obligation entails monthly repayments of at least $50 for up to ten years.

In 1992, the Commonwealth of Massachusetts Legislature mooted the No Interest Loan (NIL) Program. The NIL program was crafted to furnish eligible, needy Massachusetts residents attending post-secondary educational institutions in Massachusetts with a state-funded loan. Administered by the Massachusetts Office of Student Pecuniary Assistance, the NIL program offers zero-interest loans to assist with educational costs. Students have a duration of ten (10) years to reimburse their NIL loan. Financial aid that could be disbursed primarily refers to No Interest Loans that are to be disbursed on a "Late Disbursement" basis and meet such requirements, or any other financial aid programs that are subject to post-withdrawal disbursement (Liu, 2015).

According to Commonwealth of Massachusetts Legislature unearned State financial aid shall be refunded in the following order: 1. Tuition Waiver (Need-Based and Categorical) 2. No Interest Loan 3. General Scholarship 4. Foster Child Grant Program 5. Gilbert Grant 6. Public Service Scholarship 7. Cash Grant (Access Grant Program) 8. Part-Time Grant 9. Early Childhood Educator's Scholarship 10. One Family Inc. Scholarship 11. GEAR UP Scholarship 12. Paraprofessional Teachers' Preparation Grant 13. High-Demand Professions Scholarship 14. Completion Incentive Grant Fund 15. Math & Science Teachers Scholarship 16. Scholar-Internship Match Fund 17. National Guard Tuition & Fee Assistance 18. Adopted Children/Foster Children Fee Waiver 19. War Veterans Service Member Waiver Program

4.6.4 Loan forgiveness programs

The findings of this study are similar to Shirema, Asher, and Talwalker's (2016) study outcomes. The loan forgiveness programme has been done to ease the burden for student repayment of the loan. A variety of federal, state, and private programs eliminate some or all of the borrowers' student loan debt if they serve for a certain length of time on a job. Intended as an incentive for recruitment and retention, federal loan forgiveness programs

attempt to reduce the potential negative impact of student debt on the borrowers' ability to enter public service careers. Loan forgiveness can take place for public service, teachers and government employees. In most cases, the amount forgiven is treated as taxable income. These loan forgiveness programs provide benefits to people who make choices deemed valuable to society, such as teaching in public schools or working in a rural health clinic. This kind of exchange for service is easy to explain and has positive associations, both for the recipients and the public (Shirema, Asher, & Talwalker, 2016).

Forbearance is not a permanent deferment or reduction of payment for a period because the student has challenges, but can be granted in intervals of 12 months to 3 years (Morgan, Moore, & Greenslade, 2018). Students receive a loan balance scaled with their time in school and efforts to decrease the cost of college through employment and scholarships, like a standard student loan. Instead of fixed reimbursements every month over a 10-year period, as in a mortgage-style student loan, the income contingent loan recompense is a per cent of income over a certain threshold until the debt is recompensed or loan forgiveness is initiated. Loans are forgiven after a debtor has made consistent payments for a set amount of time, typically between 10 and 30 years (or death). The ICL scheme reins in loan reimbursement and dilutes the risk of low return-on investment for student debtors. ICL is practised in the United Kingdom, Australia, New Zealand, Chile, and Thailand, among other nations.

4.7 CONCLUSION

The study targeted eight students from the 5589 beneficiaries doing their final year at UNAM for the focus group discussion on students' perceptions and awareness of their student loan debt before graduation. NSFAF is currently owed over N$400 million in student loans. Interventions such as creating awareness by having a strategic communication plan for NSFAF will assist in the recovery of debts from students who benefited from the scheme. Having a strategic communication plan and implementing it to reduce the debts of students and promote wilful student repayment is a critical strategy. Students suggested that the government creates a job market and industries which would absorb the graduates to enable them to pay back the loans. Forbearance is a not permanent deferment or reduction of payment for a period because the student has trouble, but rather can be granted in intervals of 12 months to 3 years. Students receive a loan balance scaled with their time in school and

efforts to decrease the cost of college through employment and scholarships, like a standard student loan. Instead of a fixed reimbursement every month over a 10-year period, as in a mortgage-style student loan, the income contingent loan recompense is a per cent of income over a certain threshold until the debt is recompensed or a loan forgiveness is initiated.

5. CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The overall purpose of this study was to explore factors contributing to the repayment of a student loan. The other supporting objectives were to investigate the student intention and perceptions towards the loan agreement; to explore students' attitude towards loan agreement and to explore strategies to make sure students pay back the loan.

This chapter presents the summary and conclusion of the study. It also makes recommendations based on the findings of the study.

5.2 Summary on research objectives

This section provides a synopsis of the research objectives in a condensed form. The objectives are as follows:

5.2.1 Research objective: To identify factors contributing to the non-repayment of student loans.

5.2.2 Research objective: To investigate the student intention to repay the loan and perceptions towards the loan agreement.

5.2.3 Research objective: To explore students' attitude towards loan agreement

5.2.4 Research objectives to explore strategies to make sure that the student pays back the loan.

5.2.1 Research objective: To identify factors contributing to the non-repayment of student loans

Some of the participants underscored the challenges related to unemployment which lead to failure to recompense the money. Other respondents highlighted that some of the alumni are getting low salaries, hence, cannot afford the repayment. Also noted is that a number of respondents are just reluctant and greedy and prefer not to pay back the loan. Very few participants highlighted that the state should amend the NSFAF Act 2014. They suggested that the new legislature should make it mandatory for students to pay back the loan.The employers could collaborate with NSFAF on verification since other alumni do not want to let the employers know that they benefited from NSFAF. The Act should make it compulsory for employers to disclose the students who have benefited from NSFAF and then repayment begins.

5.2.2 Research objective: To investigate the student intention to pay and perceptions towards the loan agreement

The computations show that not many students profoundly disagree that they will make repayment because it is their priority. Very few students disagree that they will make payment as a priority. The cumulative frequency for strongly disagree and disagree that they will make repayment as a priority is not high. Not many of the students strongly agree that they will make repayment as a priority. The reasonable probability ─ the plot of regression shows a perfect linear relationship between the variables of making priority repayment with the variable 'will save part of my salary to pay back the loan'. Not more than half of the participants strongly agree that the loan agreement is convoluted to understand, and a similar percentage also muscularly concurs that the loan agreement is too long.

While not more than half of the respondents articulated that the loan agreement is difficult to comprehend, more than half of the participants agree that the loan agreement is difficult to understand and that the loan agreement is too long. A large contingent of the participants disagree that the loan agreement is difficult to understand and too long. Loan agreement refers to contracts between the organisation as a lender and the student as a borrower. The loan agreement contains the requirements relating to loans, as well as loan repayment.

Findings from the literature review show that the students' perceptions towards loan agreement would impact their attitude and themselves in the future.

5.2.3 Research objective: To explore students' attitude towards the loan agreement

The mean variables for this objective include: NSFAF can trace loan holders, repayment is the alumni obligation, the student must put an effort to make a disbursement, NSFAF can trace the loan holders to collect loans, and lastly, there is a legal obligation for non-payment. The mean statistics construct ranges from 1.6 to 1.8 which demonstrate that the participants vehemently agree and agree. Participants on average strongly agree and agree that compensation can help other students, and vehemently strongly agree that repayment is their responsibility. On average respondents agree and strongly agree that NSFAF can trace the loan holders to collect loans.

5.2.4 Research objectives to explore strategies to make sure that the student payback the loan

Crafting online tracking packages for students who benefited from the scheme should also assist the state to recover money from defaulters. This means NSFAF can trace the alumni who benefited from the scheme using the Department of Taxes and National Social Security organisations. NSFAF can also trace the students who benefited through the public service department and private sector. This can be attained by having staff members collaborating with those organisations. Designing a bespoke software for NSFAF will assist in tailor making and meeting the needs of the corporate. Some students also underscored the essence of having a robust debt recovery management system.

5.3 Conclusion

It can be deduced that high unemployment is a crucial determinant affecting the students' reimbursing of funds. To alleviate the burden which students go through, the research proposed that students should pay no interest loans within a duration of ten years to

recompense. It can also be concluded that there is a big challenge of students defaulting paying the loans which they benefited from the government. NSFAF should thus, implement intelligent software, and collaborate with the Minister of Taxes and the National Social Security to locate the defaulting students. Designing bespoke software can assist the organisation to improve on their competencies to locate students who are defaulting. The study also concludes that the government should assist those students who have difficulties in repaying the loan and engage some of the strategies with different packages. The most eligible reimbursement permutations which directly hinge on the alumni's place to stay are the Pay As You Earn Repayment Plan • Income-Based Repayment (IBR) Plan • Income-Contingent Compensation Plan • Standard Repayment Plan with a 10-year repayment period. The government also should Amend the NSFA Act of 2014 so that it recovers money from those who have a negative attitude to paying the loan, and have not disclosed to the employers that they benefited from NSFAF. The employer should first confirm with NSFAF before employing University graduates and effect garnish orders to students who have defaulted as stipulated by the repayment schedule.

5.4 Recommendations

i) Because of high unemployment levels, and the fact that most alumni are from poor backgrounds, there is a need to alleviate the plight of the students; the study recommends a no interest loan for loan beneficiaries. Financial aid that could be disbursed primarily refers to No Interest Loans that are to be disbursed on a "Late Disbursement" basis and meet such requirements, or any other financial aid programs that are subject to post-withdrawal disbursement.

ii) It is recommended that education and training should be done to students and parents so that they can understand the contract. The education and training should enlighten the students on the importance of repaying the loan. Influence has been found to be an indispensable precursor of the students' attitude towards loan repayment. This finding may help the state and the organisations providing loans to develop a strategy to educate parents to cultivate students' positive attitudes towards loan repayments. This should be done during orientation and just before graduation.

iii) It is recommended that loan repayment should be mandatory, and defaulters should be listed on the Credit Bureau. Some students suggested that the students who benefited from the scheme should be traced. This can be done by creating a database of students which has names of parents, where they are working and the use of collateral for the loan repayment. Designing online tracking packages for students who benefited from the scheme should also assist the government to recover money from the defaulters. NSFAF can trace the alumni who benefited from the scheme through the Department of Taxes and National Social Security organisations, public service departments, and the private sector. This can be accomplished through staff members' collaboration with such organisations. Designing a bespoke software for NSFAF will assist in tailor making and meeting the needs of the organisation.

iv) It is recommended that NSFAF be sustainable. If funded students default, it means NSFAF will not be able to fund other students in future. However, some students recognised the need to address the rapaciousness of students who don't feel the need to repay the loans even though they benefited from the system. Some of these students do not disclose to their employers that they benefited from the system just because they do not want to honour their debt. Other students affirmed that they are just unwilling to pay back the loan. In view of this, the study proposes that the NSFAF Act should be amended to address defaulters and liaise with employers to trace such students.

v) It is recommended that the government should amend the Namibian Student Act of 2014 and come up with a legislation to enable the collection of funds. Before employing a student, and instituting a garnishee order, employers should liaise with NSFAF to verify whether the student benefited from the organisation. Legislation such as the Student Financial Assistance Act, and the Higher Education Act have assisted organisations to recover funds for a revolving fund and also assisted with the indebtedness of students.

vi) It is recommended that a white paper should be drafted from the State which addresses the indebtedness of the alumni and the problems which they face when

paying back the loan. A strategy to assist the students should be the mandate of the government. The following strategies have been implemented in other countries to ease the different payment burdens experienced by students, namely, standard repayment, economic hardships, the student loan repayment tax deductions and income contingent for single, married and family of four. Forbearance is a not permanent deferment or reduction of payment for a period, but since the student is faced with challenges, it can be granted in intervals of 12 months to 3 years (Morgan, Moore, & Greenslade, 2018). Students should receive a loan balance scaled with their time in school and efforts should be made to decrease the cost of college fees through employment and scholarships, like a standard student loan. Instead of a fixed monthly reimbursement over a 10-year period, as in a mortgage-style student loan, the income contingent loan recompense is a per cent of income over a certain threshold until the debt is recompensed or loan forgiveness is initiated. The repayment options of standard, income-based repayment (IBR), Pay-As-You-Earn (PAYE) and a recent legislative proposal titled the Student Loan Fairness Act (SLFA) are predicted for both debt levels, although sufficient data is unavailable for exact replication.

vii) The unemployment determinant has been identified as a hindrance to the repayment of student loans.The immediate implication is that without jobs, students will be unable to pay back the loan. Faced with the uncertainty whether students will be employed after completing their studies, the likelihood of students not paying back the loan on time or not paying at all is quite high. Some of the students highlighted that finding a well-paying job was difficult, and this makes repaying the loan virtually impossible.

viii) The current loan agreement is not articulated clearly and uses complicated language and unfamiliar words which students do not understand. This study therefore recommends that the loan agreement be simplified from a legal perspective for students to comprehend it. Simplifying it enhances effective communication and mutual understanding between NSFAF and the students.

ix) It is recommended that NSFAF should design a strategic communication plan or planned public relations programmes with the aim of reducing the 400 million debt in

student loans. This can be achieved through public relations strategies, action response strategies, proactive strategies, strategic communication approaches, critical reviews, and crafted messages targeted to those who owe NSFAF.

5.5 Avenues for further research

Alumni behaviour is not static. It changes in various contexts and with the differing personalities with whom one interacts. Behavioural change is unavoidable; the student undergoes a plethora of metamorphosis due to among others, social, psychological, cultural, milieu attitudinal and economic factors. The nature and frequency of behaviour are unnatural and restricted by specific role interactions. Research has shown that human beings are bound to change when they interface with others and with their paradigm shift in experiences in life. The speed and level at which alumni adopt change is diverse, despite the exposure to the same circumstances, dependence on their personality, the socio-economic background, and the length of time of contact with the change agent. As students matriculate and undertake to fit in the University culture, they are expected to adjust their behaviour to suit the new roles assigned to them. The University student society is significantly permissive, and behaviour such as smoking, refusal to pay loans, prostitution, alcoholism, examination cheating, and cohabitation among others are loosely delineated as immoral. This makes it more probable for students to engage in such behaviour, as they construe them to be the norm and to complement their role in the university. Hence the need to instigate the behavioural conformity of NSFAF beneficiaries in Namibia. The question is, which determinants influence behavioural change?

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APPENDIX A: QUESTIONNAIRE

Section A: Demographic Variables

Please provide the following demographic information and tick were appropriate

	Male	Female

1.   State gender

2.

	Primary	Secondary	Diploma	Degree	Masters	Others
What is your level of education?	1	2	3	4	5	6

3.

	Oshiwambo	Herero	Damara	Okavango	Other Specify
Ethnic	1	2	3	4	5

4.

	>18yrs	18 to 25years	25 to 30years	< 30 years
Age	1	2	3	4

5.	0	1	2	3	<3
Number of siblings	1	2	3	4	5

6. Which region are you from in Namibia ---

7. Total approximate parents' income per month

Unemployed	1
>5000	2
5000 to 10 000	3
10 001 to 20 000	4
< 20 000	5

8. Father Profession

Government Employee	1
Private Sector Employee	2
State-owned enterprise employee	3
NGOs employee	4
Pensioner	5
Unemployed	6
Other Specify	7

9. Mother Profession

Government Employee	1
Private Sector Employee	2
State-owned enterprise employee	3
NGOs employee	4
Pensioner	5
Unemployed	6
Other Specify	7

Section B: Perceptions towards loan agreement

	Strongly agree 1	Agree 2	Disagree 3	Strongly Disagree 4

The loan agreement was written too long	1	2	3	4
The loan agreement difficulty to understand	1	2	3	4
The time given to complete loan agreement is not enough	1	2	3	4
The language used for loan agreement is not clear	1	2	3	4
The loan agreement is not clear	1	2	3	4
The loan agreement is not short, sweet and simple	1	2	3	4
I understand the loan agreement.	1	2	3	4
The agreement is legal and binding	1	2	3	4

Section C: The perception that loan repayment will affect the student's life

	Strongly agree 1	Agree 2	Disagree 3	Strongly Disagree 4
The loan repayment will affect my decision on the selection of the place to stay	1	2	3	4
The loan repayment will affect my decision on choices of job options	1	2	3	4
The extended repayment	1	2	3	4

will affect my decision to get married				
Loan repayment will affect my decision to buy a car	1	2	3	4
Loan repayment will affect my decision to have children	1	2	3	4
Loan repayment will affect my decision to acquire a house	1	2	3	4

Section D: Intention to repay the loan

	Strongly agree 1	Agree 2	Disagree 3	Strongly Disagree 4
I will make repayment because it is my priority	1	2	3	4
I will work after graduation to pay back the loan	1	2	3	4
I will save part of my salary to pay back loan	1	2	3	4
I will make regular payment through salary deductions	1	2	3	4
I will make a regular payment to reduce debt	1	2	3	4
I will make a regular payment to avoid problems	1	2	4	5

Section E: Students' attitude towards loan repayment

	Strongly agree 1	Agree 2	Disagree 3	Strongly Disagree 4
The repayment can help other students	1	2	3	4
Repayment is my obligation	1	2	3	4
I have to put an effort to make payment	1	2	3	4
NSFAF can trace the loan holders to collect loans	1	2	3	4
There is legal obligation for non-payment	1	2	3	4

1. Explain any factors contributing to repayment of a student loan

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2 What is your' understanding and awareness of the student loan debt before graduation

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3. Explain the strategies to   make sure that the students pay back the loan

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4. What interventions should be in place to encourage students to pay back the loans

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APPENDIX B

Table 4.15 Reliability Test

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
State Gender	76.6047	166.477	-.052	.426	.761
Level of Education	74.7326	163.775	.060	.285	.760
State your tribe	76.3837	163.157	.053	.392	.762
State your age group	75.8023	163.008	.096	.440	.759
Number of Siblings	74.8023	166.513	-.070	.318	.773
Parents income per month	75.4419	167.708	-.102	.606	.776
Father profession	74.7093	165.056	-.067	.506	.786
Mother Profession	74.7791	156.645	.080	.549	.775
The loan agreement was written too long	75.7093	160.185	.115	.531	.761
The loan agreement is difficulty to understand	75.5581	165.873	-.042	.616	.768
The time given was not enough	75.6163	157.180	.329	.502	.749
The language used for loan agreement is not clear	75.4535	157.498	.335	.642	.749
The loan agreement is not clear	75.6047	158.971	.246	.637	.753
The loan agreement is not short, sweet and simple	75.7791	159.492	.216	.548	.754
I understand the loan agreement	76.0465	159.904	.222	.464	.754

The agreement is legal binding	75.9419	161.114	.146	.506	.757
The loan agreement effect on selection to stay	75.8372	153.361	.449	.665	.743
The loan agreement affects job options	75.7093	150.656	.383	.497	.744
The loan agreement affect marriage	75.6512	157.312	.312	.654	.750
The loan agreement car decision	75.8023	152.937	.476	.706	.742
Loan affect my decision to have children	75.7558	150.587	.514	.692	.739
Loan repayment affect house acquisition	75.9186	150.993	.583	.782	.738
Make priority repayment	76.1395	151.721	.521	.746	.740
Work after graduation for Repayment	76.3023	152.425	.543	.692	.740
Work savings for loan repayment	76.2442	154.093	.486	.709	.743
Salary deductions	76.2791	152.015	.596	.835	.739
Regular payment to reduce debt	76.2558	153.698	.508	.730	.742
Regular payment to avoid problems	76.1977	149.666	.601	.830	.736
Repayments help students	76.3953	152.548	.508	.756	.741
Repayment is an obligation	76.3953	152.383	.537	.764	.740
Effort to make payment	76.3953	152.007	.546	.743	.740

NSFA can trace loan holders	76.5233	156.770	.384	.617	.747
Legal obligation for non-payment	76.3023	155.319	.409	.739	.746

Source Author (2018)