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# The challenge of financing higher education and the role of student loans scheme: an analysis of the student loan trust fund (SLTF) in Ghana

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## Abstract

Student loans program is one of the most controversial phenomena in financing higher education in Ghana, but its importance as a cost sharing mechanism is incontestable. This paper describes the challenge of financing higher education in Ghana. It provides a critique of the Social Security and National Insurance Trust (SSNIT) Student Loans Scheme, and analyzes the present Student Loan Trust Fund (SLTF) policy. The paper outlines the new policy framework, critically looks at some implementation problems and provides some practical policy recommendations. The paper questions the mechanisms put in place to ensure the sustainability of the new policy? It concludes that a more efficient student loans scheme should strike the balance between lenders risk and borrowers aversion.



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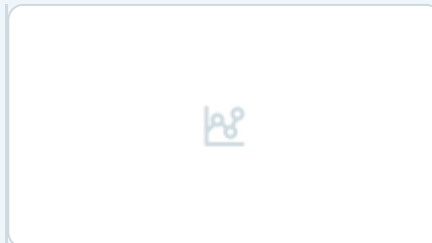
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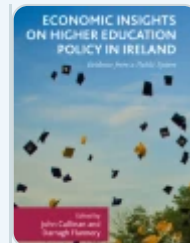
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## Notes

1. As at the writing of this paper (July, 2007), the 182 day Government of Ghana T-Bill interest rate available at the Bank of Ghana website was 10.21% retrieved from <http://www.bog.gov.gh/index1.php?linkid=210>

2. As at August 1, 2007, \$1US was equivalent to ₵9.464.40 (Ghanaian Cedi, GHC).

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