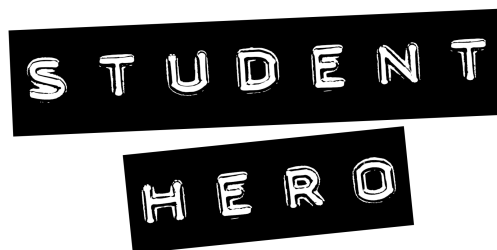




Student Finance Guideline



This guideline is meant to supplement your knowledge base and enable you with insight into the educational financing landscape, it is not meant to replace your current sales process or any part thereof.

INTRODUCTION:

If you think of education as an investment, and of a student's future earning potential as the return on the investment in education, then we can surely agree that education is by far one of the best investments someone can ever make. If you go on to consider that people often finance investments in other assets, like property or shares, then it's completely justified to finance an investment in education.

The South African banks and alternate educational funders acknowledge the importance of investing in education by offering special finance products, on favourable terms, to assist students who can not afford your institution's internal payment terms or to pay cash upfront for their education.

Looking at this from an Educational Institution's perspective, you'll be able to convert more of your prospects into paying customers if you can introduce your prospects to a financing option that suits their budget.

You will significantly increase the odds that the customer will succeed with a finance application if you let Student Hero facilitate the customer's finance application. Avoid sending the customer directly to a specific funder, there are multiple educational funding providers who each have unique qualifying criteria, and the customer might not fall within the qualifying criteria of the specific funder to whom you would have referred the customer.

Let's have a look at how to identify the type of prospect that might benefit from financial assistance in the form of a student loan.



TYPE OF PROSPECTS:

An educational institution's total pool of leads can be classified into 4 affordability baskets:

Basket One	Basket Two	Basket Three	Basket Four
Prospects who can pay cash upfront and benefit from an early settlement discount.	Prospects who do not have the cash available upfront but can afford to pay the institution's fee in 10 or 12 monthly instalments (the educational institution's internal payment plan).	Prospects who can not afford the institution's monthly internal payment option, but fall within one of the educational credit provider's qualifying criteria.	Prospects who can not afford the educational institution's internal payment plan nor fall within a credit provider's qualifying criteria. Typically your bursary or NSFAS inquirer.

For the prospects in baskets three and four, the commitment to higher education depends on them submitting and succeeding with a student finance application. The fact is that prospects from baskets three and four can not afford to pay the Educational Institution any other way. If you want to assist prospects from baskets three and four to invest in their education at your institution, you have to proactively introduce them to student finance as an affordable payment method. By not doing so, you will significantly decrease the probability of converting the prospects from basket three. Introducing the client to student finance will allow you to overcome their initial affordability reservations and increase the likelihood of them enrolling.

The quickest way to obtain information about your prospective student's, or their anticipated fee payer's, financial situation is to open your first conversation with the following question:

If you are talking to the student: *"What sparked your interest in this particular course, is one of your parents involved in this industry?"*

If you are talking to the parent: *"What sparked the student's interest in this particular course, are you perhaps involved in this industry?"*

The above question will induce a conversation about what the student's financial caregiver does for a living, giving you valuable insight into the prospect's purchasing power.

Next, we'll look at how to explore and attempt to overcome affordability concerns.

EXPLORE AFFORDABILITY:

During your initial consultation, and after it becomes apparent that you have dealt with all the customer's general questions about the institution and the relevant course, it is advised that you first confirm that the customer has no further questions, and then confirm with the customer that they are happy for you to take them through the fees and payment options. If the customer asks about price and payment during their general inquiries to you then you can use this same approach as soon as the opportunity to discuss fees and payment presents itself.

By consciously initiating the conversation about fees and payment, you are setting yourself up to explore the customer's affordability and attempt to identify and overcome any concerns. A customer who does not inquire or want to discuss the price has zero intention of purchasing...

If the customer is happy for you to discuss the fees and payment with them, then you'll simply take them through the **three** payment options in the manner discussed below:

1. Cash upfront,
2. Internal payment plan, or
3. Study finance.

Student Hero's team frequently contacts our educational partners and poses as a parent to hear how the conversation about fees and payment options is conducted.

The three things that we hear most student advisers do wrong are:

1. They do not proactively mention financing as one of the options to settle the fees, we always have to ask if there are options more affordable than the payment plan, and
2. They jump straight to bursaries if we ask for something more affordable than the institution's payment plan.
3. If we ask specifically about student loans we are merely referred to our bank.

By not proactively introducing your customers to financing options, the customers who need this information, but do not ask for more affordable options, will leave the consultation thinking that it is too costly for them to study.

And by jumping straight to bursaries when the customer asks for something more affordable you make your sale dependent on the customer succeeding with a bursary application. Bursaries are extremely limited. Your ideal prospect is much more likely to qualify for a student loan rather than a bursary. Therefore, from a sales perspective, it is better to introduce the client to a student loan first and mention bursary options if they can't even afford the reduced instalment of a student loan.

If you merely refer your customer to their bank you run the risk of them not being successful at their bank and not knowing that there are other options available that they could have explored through Student Hero's facilitation service.

In practice, the conversation about fees and payment will go something along these lines:

Advisor: *"So Mr. Jones, if you have no further questions, are you happy for me to take you through our fees and the payment options?"*

Prospect: *"Yes, sure."*

Advisor: *"Great, so the fees for the course that the student is interested in studying amounts to {course_fee} for the year.*

There are three payment options to settle the fees.

Option one is to pay the full fee upfront by {early_settlement_date} for which we award an early settlement discount of {early_settlement_discount}.

Is this option something that you will be able to do?"

It is extremely important to confirm if this payment option does or doesn't work for the customer. The customer's answer to *"Is this option something that you will be able to do?"* will determine if you have more work ahead of you or if you can provide the customer with the banking details to make the payment.

If the customer seems uneasy about the cash upfront option or indicates that cash upfront is not something they can do, then you have to pitch a more affordable option.

Advisor: *"Don't worry Mr. Jones, we appreciate that {course_fee} is a lot of money to settle at once. We, therefore, offer our customers the option to settle the fee monthly while the student studies.*

For {course_fee} the estimated monthly install will be {installment_amount} over 10 or 12 months.

Does this work for you?"

It is again important that you confirm if this payment option solved the customer's initial affordability concern. The customer's answer to *"Does this work for you?"* will determine if you have more work ahead or can close the sale.

If the customer still seems uneasy or still has affordability concerns, then you have to introduce the customer to the option of financing their investment in education.

Advisor: *"Mr. Jones, if our internal payment plan also does not work for you then the 3rd payment option can reduce the monthly instalment to around R1000 - R1500 per month, but over a longer term, are you perhaps eager to explore this option? Is this something that can work for you?"*

The estimated monthly instalment for a student loan is about 2% of the course fee.

Keep in mind that at this point of the conversation, the intention is not to provide the customer with the exact details of a student loan's repayment terms. The intention is merely to gauge if the customer can afford the estimated lower instalment of a student loan and that you have successfully overcome the prospect's affordability concerns.

If this option is something the customer would like to explore, then you have successfully identified a finance-dependent prospect who will likely only be able to invest in education if they proceed to explore, apply and qualify for a student loan.

At this point, it is advised that you indicate to the customer that you do not offer these payment options in-house but are very happy to connect the customer's details to your

institution's finance facilitation partner, Student Hero, who would be able to explain all the various finance option, help the customer to check if they qualify for finance, and eventually assist the customer so submit their application to the various finance providers for consideration.

Try to steer clear of answering specific questions about student finance products such as interest rates, repayment terms, qualifying criteria, etc. It is best to refer the customer to Student Hero for assistance and to encourage the customer to engage with Student Hero, despite any preconceived ideas that they might have about their ability to qualify for finance. Student Hero explores finance from multiple finance providers and they all have a unique qualifying criterion, study funders are more forgiving of poor credit scores than other credit providers that the customer might have engaged with previously to maybe finance a vehicle or property.

A good sales practice is to proactively connect the customer's details to Student Hero, as opposed to simply handing a finance-dependent customer a Student Hero flyer or pointing the customer toward Student Hero's website. Student Hero's service is completely free of charge for the customer and commitment-free, so the customer can opt out at any point after Student Hero has contacted them. It is advised to try to make it as frictionless as possible for the customer to be connected to Student Hero.

LOAN INSTALMENT TO COURSE FEE COMPARISON

The below is meant to serve as a guideline of what the estimated loan instalment is for a specific loan amount (course fee), per year of study, assuming the customer is doing a multiple-year course. Interest rates on student loans vary between prime and prime +10%, and loan terms vary between 24 and 96 months. The eventual offer made to a loan application by a finance provider is dependent on the applicant's credit score and income. The below numbers are estimates. Applicants also sometimes have the option to pay interest only for the first 12 months of the loan or while the student studies. This offer is not always available and not all funders have this option.

	Year One		Year Two Loan amount x2		Year Three Loan amount x3		Year Four Loan amount x4	
LOAN AMOUNT (per year)	Interest only	Full Instalment	Interest only	Full Instalment	Interest only	Full Instalment	Interest only	Full Instalment
R25,000	R400	R800	R750	R1,500	R1,000	R2,000	R1,300	R2,500
R50,000	R750	R1,500	R1,300	R2,500	R1,900	R3,700	R2,600	R5,000
R75,000	R1,000	R2,000	R1,900	R3,700	R1,700	R3,100	R3,900	R6,500
R100,000	R1,300	R2,500	R2,600	R5,000	R3,900	R6,500	R5,100	R8,600
R125,000	R1,700	R3,100	R3,250	R6,100	R4,800	R9,100	R6,400	R12,000
R150,000	R1,900	R3,700	R3,900	R6,500	R5,750	R10,900	R7,800	R12,800

CONNECTING CUSTOMERS TO STUDENT HERO

Student Hero's details are available on your institution's website or at www.studenthero.co.za. Still, as stated above, it is better to connect the customer's details to Student Hero to be sure the customer's engagement with Student Hero is effortless and successful.

The easiest way to connect the customer to Student Hero after they have indicated that they would like for you to forward their details is through the [Student Hero Referral Portal](#).

STEP 1:

Confirm that the customer requested you to, or provided their consent that you may connect them to Student Hero.

Do you have consent from the customer that you may connect their contact details to Student Hero to assist them to learn about and apply for study finance?

Yes, I have the customer's consent

STEP 2:

Provide your name and email address so that we can provide you with valuable feedback about the application's outcome or progress.

Student Adviser's Details

Kindly provide your name and email address.

Your name

Your email

Providing your email will enable us to provide you with feedback.

Send

STEP 3:

Submit the student or fee payer's contact information.

Please provide the following information for the student.

Student Name

Student Surname

Student Phone Number

Student Email

Submit

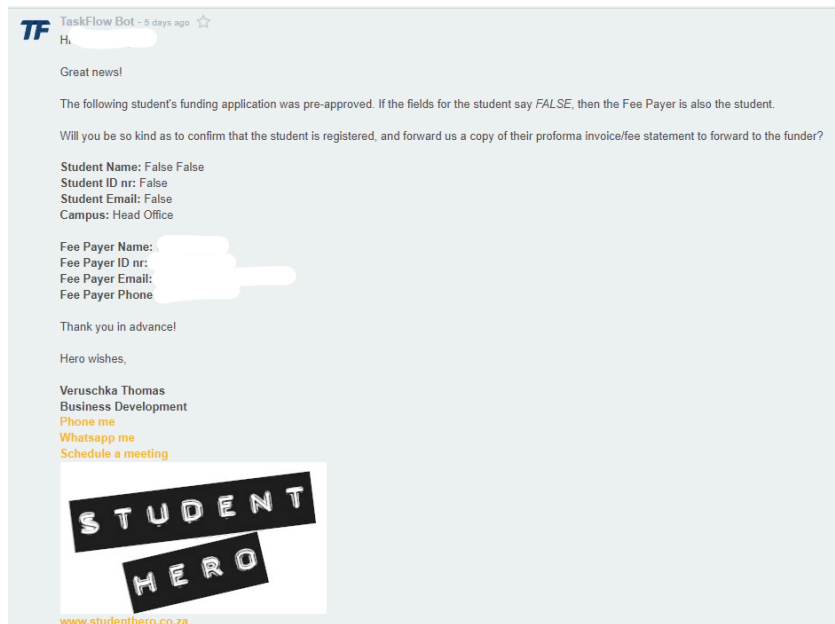
The lead will appear in Student Hero's CRM for a Student Hero agent to contact the customer.

The client will be requested to provide a balance of the information required to check if they qualify for finance (pre-qualification).

If it is a student who applied for finance with a parent, we'll first need to obtain the parent's consent that they are willing to support the student.

If the client succeeds in the pre-qualification, we'll confirm if the client is ready to complete the loan application and discuss the next steps to do so.

The persons who submitted the lead will be added as a follower of the application. As a follower of the application, you will receive an email notification to indicate the outcome of the application.



STUDENT HERO FEEDBACK

You are welcome to follow up on the application by sending an email to support@studenthero.co.za. This email address is strictly for use by the educational institution to check in on an application and should please not be shared with prospects. Prospects receive numerous phone calls and automated email and WhatsApp follow-ups from our CRM, so it is advised that you always first check that a customer received and replied to a message from Student Hero before you follow up with Student Hero on a prospect's behalf (especially if it is a student who claims no contact from Student Hero). Most of our engagement is directly with the parent.

STUDENT HERO APPLICATION STAGES

Below are all the various stages that an application can move through during the Student Hero application management process.

- New Applications/Leads
- No Contact Stages
- Waiting for Feedback from the Customer
- Stages for the finance providers
- Student Loan Approved
- Loan Paid Out to the Educational Institution
- Application Parked
- Application Declined
- Application Cancelled

A high-level report from Student Hero will indicate the number of applications contained in a specific stage at the time of drawing the report:

Total	664
New Application	2
Waiting for Feedback from the Customer	5
Application Submitted to FNB	7
Application Submitted to ABSA	2
Application Submitted to Nedbank	3
Application Submitted to Capitec	7
Application Submitted to Standard Bank	9
Application Submitted to Fundi	8
Application Submitted to Manati	7
Student Loan Approved	6
Loan Paid Out to the Educational Institution	567
Application Parked	15
Application Declined	12
Application Cancelled by Applicant	14

OTHER WAYS TO REFER CUSTOMERS TO STUDENT HERO

In the event of a customer inquiring about funding or finance via email or WhatsApp, and you simply want to refer the inquiry to Student Hero to assist the customer, then you can use the below blurb to inform the customer about Student Hero and how to connect to us:

WhatsApp:

Do you want to invest in your future self but do not have the funding available upfront? We've got you covered. Financing makes education more affordable by spreading the payments over a longer term. {Your_educational_institution} has partnered with Student Hero to help our applicants learn about, apply and qualify for study funding. Visit <https://www.studenthero.co.za/> to apply or reach out to Student Hero on Whatsapp <https://wa.me/27615853490> or email hello@studenthero.co.za

Email:

Subject: Study Finance

Hello {Customer_Name},

*Do you want to invest in your future self but do not have the funding available upfront?
{Your_educational_institution} has you covered...*

Study finance makes education more affordable by spreading the costs over a longer term.

*To help more students to be their future selves sooner, {Your_educational_institution} has
partnered with Student Hero to help all our applicants to learn about, apply and qualify for study
finance.*

*In addition to giving you access to multiple finance options from a single point of contact, Student
Hero offers customers the ability to Pre-Approve for study finance.*

*Student Hero's Pre-Approval is free of charge, commitment-free, and the quickest way to find out
if you qualify for student finance.*

*By getting pre-approved as early as possible you allow yourself to optimise your chances of
success or compare offers from various finance providers.*

Reach out to Student Hero on the following details:

Apply or Pre-qualify: <https://www.studenthero.co.za/>

Whatsapp: <https://wa.me/27615853490>

Email: hello@studenthero.co.za

Learn more about study finance here: <https://www.studenthero.co.za/frequently-asked-questions>

We look forward to a long and fruitful partnership
filled with many success stories!

Yours in student finance,

Student Hero

