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# An assessment of higher learning students' loans scheme in Tanzania: a case of higher education students' loans board (HESLB)

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**An assessment of higher learning students' loans scheme in Tanzania:  
a case of higher education students' loans board (HESLB)**

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**Master of Business Administration**

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The introduction of the Higher Education Students' Loans Board (HESLB) in 2005 was aimed at smoothly assisting the development of higher education in Tanzania. The purpose was to provide interest free loans, conduct means testing procedures and collect the loans repayments after the students have completed their studies. However, increasing number of students, published guidelines, eligibility criteria and means testing procedure have been pointed out to be a major barrier for students to access loans. The objectives of this study were to assess the criteria used by HESLB in identifying and granting loans to needy Tanzanian students, to assess service delivery efficiency and challenges faced by HESLB in issuing loans to higher learning students and to evaluate various methods used by HESLB for loan repayments collection and recovery from beneficiaries. The study used both primary and secondary data sources. The primary data was collected using questionnaires, follow up questions and observation. Findings in this study show that criteria for identifying and granting loans were appropriate and criteria used to identify needy students were effective. However, there were critics on the identifying and selecting criteria which were based on the fact that students to be given loans were prioritised on programme bases rather than on the ability or inability of the beneficiaries to afford higher learning institution expenses. Means testing procedure has been simplified, but it was revealed that most of the rural applicants find Online` Loan Application System (OLAS) difficult to use. Moreover, regarding service delivery efficiency and challenges faced by HESLB in issuing loans to higher learning students, the study revealed that processes that are used for disbursing loans among loan beneficiaries are generally efficient and are disbursed to the beneficiaries in time. However, there have been some cases of delay in disbursement of loans among students. It was also revealed that methods used by HESLB for loan repayments collection and recovery are friendly but inadequate cooperation from some of the employers contributes to slow pace in tracing and recovering loans.