

## The legal issues concerning Nigerian's student education loan act: A lesson from Uganda perspective

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### Abstract

**Introduction to the Problem:** Education is said to be one of the major keys to development and civilization. Concerning this, the Nigeria and the Uganda governments had sought to enhance and facilitate tuition fees of tertiary education of peasant citizens, by enacting the Student Loan Act, Unlike the Uganda Education Loan Act, there seems to be a gridlock in accessing education loans in Nigeria.

**Purpose/Study Objectives:** In this regard, this study examines the issues concerning the Nigeria and Uganda tertiary education loan act, with a view of taking a leap from the Uganda student loan act in improving on the Nigeria student loan act.

**Design/Methodology/Approach:** In this regard, the study adopts a hybrid study method, 406 questionnaires were sent to respondents residing in Nigeria and Uganda. The results obtained were analyzed using a descriptive and analytical method.

**Findings:** The study identified significant flaws in the Nigeria Loan Act that risk undermining its intended purpose, whereas the Uganda Tertiary Education Loan Act offers a more effective framework, granting students better access to loans and scholarships. Consequently, the study concludes that Nigeria should adopt key aspects of Uganda's model, particularly its student-friendly provisions, to improve access to educational financing. It therefore recommends that Nigerian policymakers reform the existing loan system by integrating successful elements from Uganda's approach, ensuring greater equity and efficiency in supporting students' academic pursuits.

**Paper Type:** Research Article

**Keywords:** Education; Loan; Act; Nigeria; Uganda



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## Introduction

The key to sustainable development and sustenance of any given nation lies in the level of education of its citizens ([Aidonojie et al., 2022](#)). In this regard, education is considered the most formidable cornerstone of nation-building, the engineer and architect towards sustainable development and transformation ([Idahosa et al., 2022](#)). Also, educating the citizens of a given nation aids in societal or national progress, shaping the values and preparing the future generation for further achievement and preservation of heritage ([Jufri et al., 2024](#)). Through education, several innovative scientific and technology has been ignited. Also, it must be noted that education has also been considered a catalyst that aids in critical thinking and aid in the quest to circumnavigate the ever-evolving global environment ([Kibuuka, 2022](#)). Furthermore, it still a values of discipline, respect, tolerance, and the spirit of cooperation ([Mukhlis et al., 2023](#)). In this regard, a nation lagging in education could be bereft of sustainable development in virtually all sectors that could enhance development and transformation ([Kyaligonza et al., 2015](#)).

However, it suffices to state that in Nigeria and Uganda, higher education is the educational phase after basic education. It includes a variety of institutions, such as universities, technical colleges, colleges of education, and specialist centers ([Tukur & Adamu, 2017](#)). Publicly funded institutions in Nigeria and Uganda are faced with ongoing challenges, including low funding, difficulty hiring and retaining top talent, and deteriorating infrastructure that has negatively impacted their development and performance ([Rihadatul'Asy, 2025](#)). To address these issues, Nigeria has passed the Student Loans Act 2023, while Uganda has passed the Higher Education Student Finance Act 2014 ([Madondo et al., 2017](#)). The primary goal of these two laws is to provide loans to eligible needy students so they can support their finances in furthering their education ([Adewale & Mansor, 2016](#)). In Nigeria, this law represents a different type of effort and creates a structure for interest-free loans that are intended to ease the financial strain on students from low-income families who are seeking higher education ([Irewole, 2019](#)). This has the potential to give financially disadvantaged students greater access to educational opportunities and more funding for public universities ([Lailam & Andrianti, 2023](#)). As Nigeria embarks on this transformative journey, the impact of increased funding on the country's higher education landscape is becoming a topic of great anticipation and scrutiny, with the potential to reshape the future of higher education in Nigeria in particular and Nigeria in general ([Alade, 2020](#)).

It suffices to state that a review of the Nigeria Student Loan Act seems to have several setbacks, challenges, and issues that may practically defeat the purpose and essence of the law. However, the Uganda student loan seems to have covered the scope by adequately providing loans and grants to enable students to finance financing their education. The focus of the Uganda Student Loan Act covers a wider and broader scope than the Nigerian student loan ([Noor, 2020](#)).

It is in this regard that this study tends to adopt a hybrid method of study in examining the legal and socio-economic issues as it concerns the Student Loan Act of Nigeria, with a view of learning from the Uganda system in enhancing the law on student loan act.

This paper aims to critically examine the Nigeria Student Loan Act 2023, analyzing its legal and socio-economic implications while identifying its shortcomings and challenges. By comparing it with the Uganda Higher Education Student Finance Act 2014, which adopts a broader and more inclusive approach to education financing, the study seeks to explore lessons that Nigeria can learn from Uganda to enhance its student loan framework. Through a comparative analysis, the paper highlights significant differences in their design, implementation, and outcomes, providing a deeper understanding of how varied approaches impact higher education access and equity. The study also identifies specific gaps in the Nigerian law, such as its limited scope, lack of provisions for grants and scholarships, and potential implementation challenges, while showcasing Uganda's inclusion of grants, scholarships, and simplified guarantor requirements as a benchmark for enhancing access to education, especially for low-income students. By adopting a hybrid methodological approach, the research critiques the existing frameworks and offers actionable insights and practical recommendations to align Nigeria's Student Loan Act more closely with students' needs and national development goals. Furthermore, the paper assesses the socio-economic dimensions of these policies, emphasizing their impact on low-income students, national development, and the sustainability of higher education financing. Unlike existing literature that often focuses on single-country analyses, this study bridges the gap between two distinct national systems, offering a fresh perspective on policy transferability and drawing on Uganda's success to propose reforms tailored to Nigeria's unique context. By integrating legal and socio-economic analysis, the paper provides a multidimensional evaluation of student loan policies and contributes to a nuanced understanding of their broader implications and long-term prospects for reshaping higher education financing in Nigeria.

### **Methodology**

Concerning the study that focuses on the assessment of the Nigeria and Uganda tertiary education loan act, the study adopts a hybrid method. The doctrinal method aims to ascertain the legal and socio-economic issues concerning the Student Loan Act in Nigeria and Uganda. In this regard, the study relied on primary and secondary sources of material such as laws and scholarly legal research.

Furthermore, the non-doctrinal method of study aims at ascertaining the effectiveness, relevance, and lapses inherent in the Education Loan Act of Nigeria and Uganda. In this regard, questionnaires were distributed to respondents residing in Nigeria and Uganda. The results obtained from the questionnaire were analysed through a descriptive and analytical method.



In obtaining a comprehensive and wide range audience from Nigeria and Uganda territory in responding to the questionnaire, the study relied on a sample size of 406. However, concerning the method of selecting the respondents, the study adopted a simple sampling method of techniques given its relevance and effectiveness (Aidonojie, et al., 2024; Majekodunmi, et al., 2022). Furthermore, the simple random method of sampling of respondents has been adjudged to have several advantages and relevance (Aidonojie, et al., 2024; Imoisi & Aidonojie, 2023; Majekodunmi, et al., 2022).

In Nigeria and Uganda, simple sampling is vital for achieving fair representation across diverse populations. Given these nations' cultural, ethnic, and socio-economic variations, this method ensures balanced and unbiased samples, enhancing data reliability. By randomly selecting participants, it minimizes selection bias, making it ideal for studies requiring accurate generalizations. Its impartiality strengthens research credibility, as every individual has an equal chance of inclusion, eliminating systematic distortions.

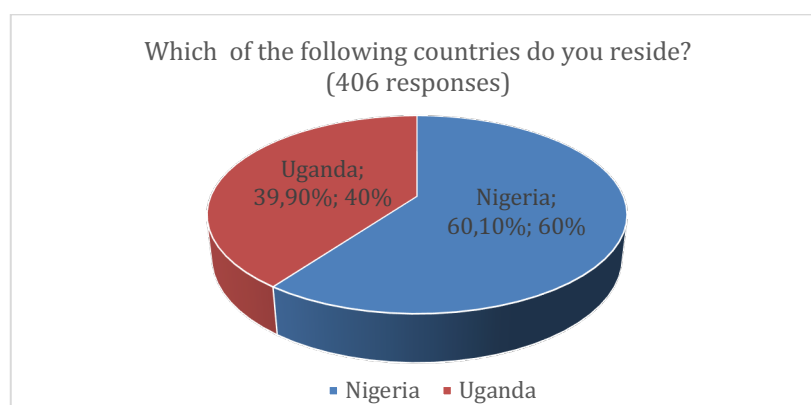
Simple sampling is also prized for its efficiency and adaptability, particularly in hybrid legal research. Unlike complex methods, it streamlines data collection, allowing researchers to focus on analysis rather than procedural complexities. Its flexibility supports both qualitative and quantitative approaches, making it useful for case law analysis, policy assessments, and comparative studies. This systematic yet straightforward technique ensures objectivity, reinforcing its value in academic and professional legal research.

## Results and Discussion

### Responses to Legal Issues on the Nigerian and Ugandan Student Loans Act

This discussion begins with a presentation of some of the responses from respondents to questions about the Nigerian and Ugandan Student Education Loan Act. The following are the responses.

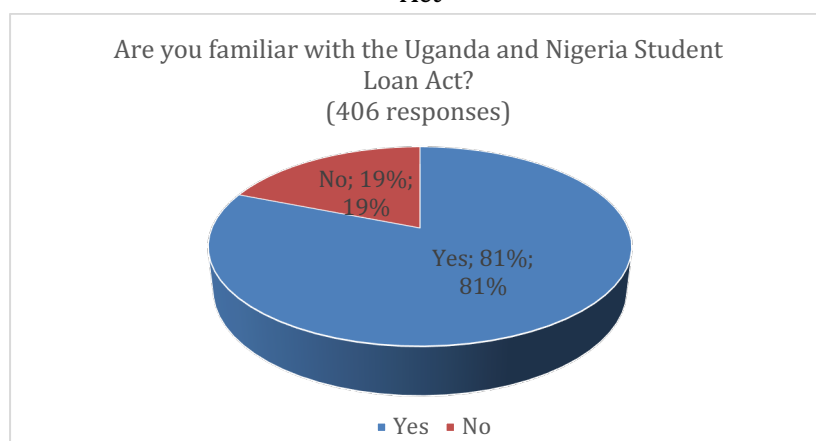
**Figure 1.** Respondents' Identification of Their Residential Area



Source: Author's Questionnaire Survey

Figure 1 illustrates the geographical distribution of survey respondents, with 244 participants indicating their residence in Nigeria and 162 respondents residing in Uganda. This demographic composition demonstrates that the surveyed individuals possess substantial firsthand experience and contextual understanding of the educational financing systems within their respective countries. Consequently, their responses are likely to be well-informed and empirically grounded, particularly regarding questions pertaining to the Education Loan Act as implemented in both Nigerian and Ugandan legal frameworks. The significant representation from these two jurisdictions ensures that the collected data reflects authentic perspectives from stakeholders who are directly affected by or familiar with the policies under examination, thereby enhancing the reliability and validity of the survey findings.

**Figure 2.** Confirmation of Their Knowledge of the Nigeria and Uganda Student Loan Act

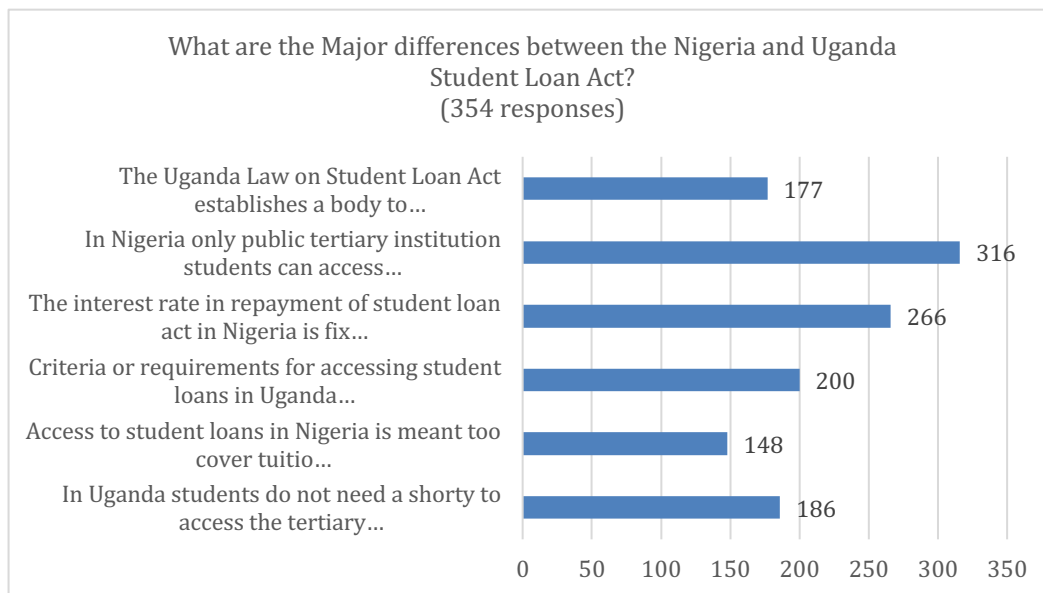


Source: Author's Questionnaire Survey

The data displayed in Figure 2 reveals that a substantial majority of respondents—81% of the 406 participants surveyed—are aware of the Nigeria and Uganda Student Loan Act, pointing to a strong level of recognition and understanding of the legal structure surrounding student loans in these nations. This high percentage suggests that most individuals in the study are well-informed about the regulations affecting educational financing, which is crucial for making sound financial choices. However, the 19% who indicated limited familiarity with the Act show that some gaps in awareness persist, meaning certain groups may still lack a full understanding of the law's details and consequences. This gap calls for additional efforts, such as awareness campaigns or policy education programs, to ensure more people have access to this important information. Overall, the findings stress how vital it is for students to be knowledgeable about financial policies, as this understanding helps them make better use of available funding options and promotes fairer access to higher education.



**Figure 3.** Respondents' Identifying the Difference Between the Nigeria and Uganda Student Loan Act



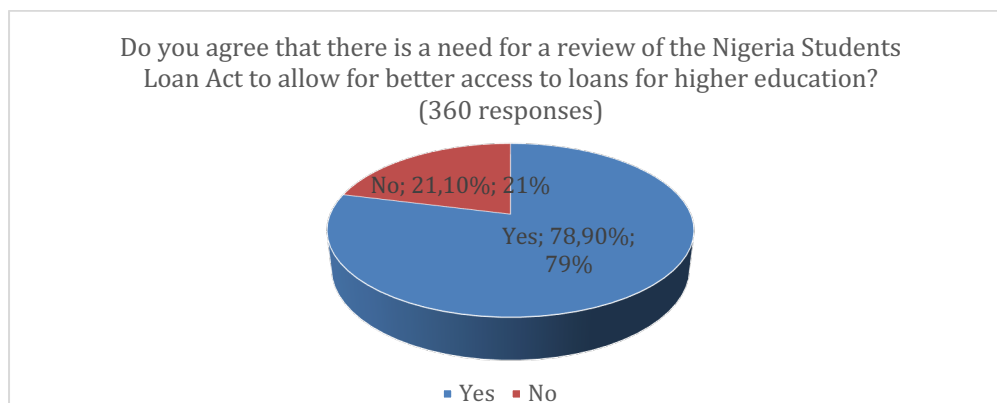
Source: Author's Questionnaire Survey

Figure 3 offers a detailed comparative examination of the Student Loan Acts in Nigeria and Uganda, as perceived by survey respondents, revealing substantial variations in their respective policy frameworks and implementation mechanisms. The data demonstrates that a significant proportion of respondents (50%) identified a fundamental administrative distinction: Uganda's system is governed by a specialized regulatory body responsible for loan oversight, while Nigeria disperses this function across multiple governmental and financial institutions, potentially complicating coordination. Additionally, an overwhelming majority (89.3%) confirmed that Nigeria restricts loan eligibility exclusively to students enrolled in public tertiary institutions, whereas Uganda adopts a more inclusive approach by extending financial support to learners in both public and private institutions. This disparity suggests a broader commitment to educational accessibility in Uganda's policy design.

Further divergences emerge in repayment structures and loan accessibility, as noted by respondents. A substantial 75.1% observed that Nigeria enforces a standardized interest rate on student loans, whereas Uganda employs an income-sensitive repayment model, adjusting rates based on borrowers' earnings—a feature that may enhance financial sustainability and equity. Moreover, 56.5% of participants indicated that Uganda's eligibility criteria are more accommodating compared to Nigeria's rigid requirements, which could disproportionately exclude disadvantaged applicants. Another key distinction, highlighted by 41.8% of respondents, pertains to loan coverage: Nigerian loans are predominantly tuition-specific, while Ugandan provisions encompass supplementary academic expenses, alleviating a wider range of financial burdens. Finally, 52.5% emphasized that Uganda eliminates the guarantor

mandate, streamlining access, whereas Nigeria maintains this barrier. Collectively, these insights illuminate profound institutional and operational contrasts between the two nations' approaches to student financing.

**Figure 4.** Confirming the Need to Review the Nigeria Education Loan Act



Source: Author's Questionnaire Survey

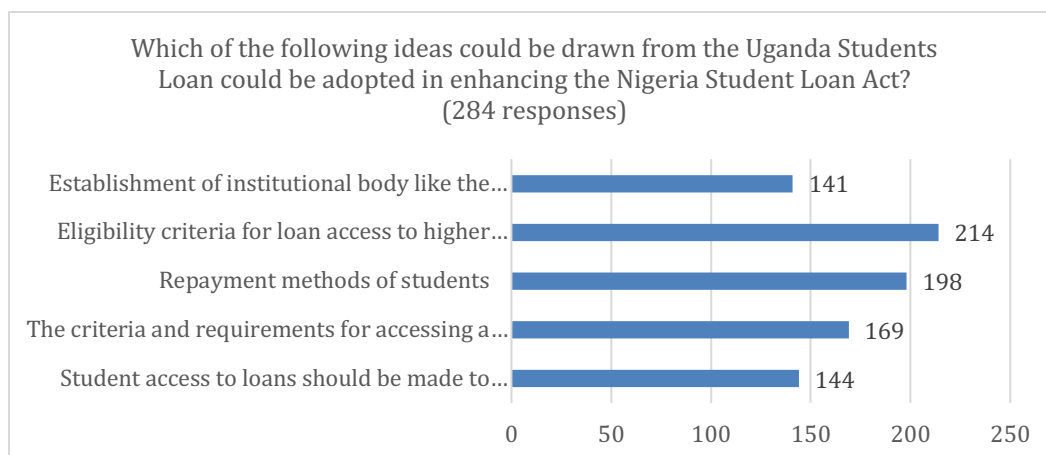
Given the response of the respondents in identifying the difference between Nigeria's and Uganda's education loan act, it is very obvious that several lapses and challenges could mitigate and limit tertiary institution students from effective access to the said loan. Furthermore, the findings reveal that the student loan package as provided for in the Uganda Education Loan Act seems to cover a better education loan package and a wide range of education expenses such as; the tuition fees of tertiary institutions, fees for functions, fees to cover expenses and fees for the appliances of a disability's person. In this regard, given this education loan and scholarship package enhancement as contained in Uganda's education loan act, in Figure 4, 78.9% of the respondents affirm that there is a need for a review of the Nigeria student loan act to accommodate some of the vital provision as contained in the Uganda education loan act.

The survey results reveal a strong and notable consensus among respondents, indicating widespread agreement on the urgent need to revise and modernize the Nigeria Education Loan Act to bring it in line with more progressive and effective frameworks, such as Uganda's well-structured Education Loan Act. As demonstrated in Figure 5, a detailed analysis of the responses identified several critical provisions from Uganda's model that stakeholders believe should be integrated into Nigeria's legislative framework to enhance its functionality and inclusivity. These provisions were selected based on their proven success in Uganda's higher education financing system, which prioritizes accessibility, flexibility, and comprehensive support for students. The emphasis on adopting these measures underscores the growing recognition that Nigeria's current loan system requires substantial reform to meet the evolving demands of its student population and ensure equitable access to educational funding. This alignment with Uganda's model is seen as a strategic step



toward creating a more sustainable and student-friendly loan program that addresses key challenges such as rigid eligibility criteria, limited coverage of expenses, and inefficient loan administration.

**Figure 5.** Innovative Provisions that Could be Adopted from the Uganda Education Loan Act



Source: Author's Questionnaire Survey

Figure 5 identifies some of the relevant provisions of Uganda's Education Loan Act that need to be incorporated into the Nigeria education loan act as follows: The respondents indicated a strong inclination (49.6%) to create an institutional body comparable to the Uganda Higher Education Students' Finance Board that would administer and oversee student loans. Furthermore, it was corroborated by 75.4% that eligibility criteria for loan access should apply to both private and public institutions within the Ugandan model. Nearly 69.7% favored the introduction of flexible student loan repayment methods. In contrast, 59.5% held that loan access criteria and requirements must not be overly rigid, while there was also support (50.7%) for a broad range of education expenses (tuition fees, research, living expenses, etc.) to be covered by student loans, as provided for under the Uganda Student Loan Act.

### ***Socio-Economic Issues Concerning Tertiary Education Fees in Nigeria and Uganda***

Nigeria and Uganda are regarded as developing countries in West and East Africa. However, the financing of tuition fees and other education expenses in Nigeria and Uganda is a pressing concern, with the country's education system facing numerous challenges that undermine access to quality education (Ssempebwa, 2007). This is concerning the fact that students from low-income households are disproportionately affected by the high cost of tuition in Nigeria and Uganda, which has become a major barrier to accessing higher education and sustaining inequality. Many talented and deserving students are forced to give up on their academic goals owing to financial restraints, while a privileged few can now afford to pursue higher education despite the outrageous prices levied by universities and other tertiary institutions (Magara,



2009). The situation is made worse by the scarcity of student loans and scholarships, which are frequently insufficient to pay for the expensive tuition. As a result, there is a major brain drain as many students look abroad for cheaper education possibilities (Kasozi, 2009).

Furthermore, because of the exorbitant cost of tuition, educational institutions are prioritizing profit over academic achievement, which has a detrimental effect on both the overall quality of the learning experience and the quality of education (Harle, 2011). Numerous students in Nigeria and Uganda would love to pursue their educational interests at the tertiary level but they are faced with several obstacles and constraints the most prominent of which is the exorbitant cost of tuition fees (Sutherland, 2000). The cost of tuition is so expensive that students from low-income households and average homes are not able to afford the fees even in state and federal universities because these universities rely solely on tuition fees to fund and run these universities thus necessitating the need to hike up the prices so they have enough to handle the needs and issues arising in the schools and this has become a major barrier to accessing higher education (Aidonojie et al., 2024) In Nigeria, the federal government's failure to fund public universities has contributed significantly to the increase in tuition fees with some universities charging over ₦500,000 per year while in Uganda, the introduction of tuition fees in public universities has seen costs soar, with students paying up to UGX 1,500,000 per year (Osisanwo et al., 2019). It is important to note that apart from tuition fees, students are required to pay several other fees like accommodation, transportation, study materials, etc. which are also quite expensive thus further complicating the already complex problem (Aidonojie, et al., 2024).

Further exacerbating the issue of high tuition fees and limited government funding is the fact some students may want to resort to accessing loans to acquire enough money to pay their fees but they are hardly granted these loans (Moruf & Adeleke, 2018). The requirement of collateral and other requirements that financial institutions may need to grant loans may be difficult for these students to provide, thereby disqualifying them from receiving the loans (Aidonojie, et al., 2024) Also, the interest rates fixed on these loans might further crush the financial stability of students who may be able to access them (Omona, 2012). The idea of the Students Loan Act in Nigeria and the Higher Education Student Financing Act in Uganda are truly innovative moves by the government that might help address a lot of issues if it is properly implemented.

It must also be noted that students having the opportunity of receiving grants and scholarships as financial aid for their academic pursuits could assist in alleviating their financial burdens but in Nigeria and Uganda, the limited availability and accessibility of grants and scholarships for students, researchers, and individuals in need is a problematic reality (Isebe et al., 2017). In Nigeria, there are very few scholarship opportunities available and some of them are even awarded to the elite who have the means to finance their education. This challenge is necessitated as a

result of nepotism, corruption, and other bottlenecks inherent in the system of scholarship assessment. In Uganda, the government scholarship scheme is limited, and private scholarships are even more scarce forcing students to rely on expensive bank loans which they hardly get or drop out of the university (Shen, 2010). Also, the grants and scholarships whenever they are available require stringent requirements such as a high GPA threshold, and even when this hurdle is crossed, more hurdles are posed by inadequate funding in the sense that these scholarships and grants fail to cover the full costs of tuition and other fees like research, accommodation, living expenses etc thereby leaving the students in a still tight financial struggle (Carrol, 2007).

Concerning the above, it suffices to state that to solve this problem and guarantee that higher education is available to everyone, regardless of socioeconomic background (Rizqiyanto et al., 2025), the government and interested parties must collaborate to enhance funding for education (Mendy & Ebrima, 2025), implement inclusive and reasonably priced tuition models, and broaden student loan and scholarship programs (Aidonojie, et al., 2025).

#### ***Legal Framework Concerning the Students Loan Act in Nigeria***

On June 12, 2023, the President, Bola Ahmed Tinubu assented to the passing of the Student Loans (Access to Higher Education) Act, 2023. The primary aim of this piece of legislation is to create a legal framework for the provision of loans to poor or low-income Nigerians to facilitate payment of their school fees. This is to ensure that poor Nigerians can easily access higher education through the Nigeria Education Loan Fund established under the Act (Oladele et al., 2022). The significance of the legislature as detailed in its explanatory memorandum is “to provide easy access to higher education for Nigerians through students’ loans to provide education for all Nigerians (Osuchukwu et al., 2017).”

Section 5 of the Act establishes the Nigerian Education Loan Fund which shall be domiciled with, managed, and administered by the Central Bank of Nigeria through the money deposit banks in Nigeria. The Governor of the Central Bank of Nigeria is empowered to set up a Special Committee to perform the functions of the fund and establish regulations and guidelines for the management, administration, disbursement, and recoupment of student loans under the Act (Mukhlis et al., 2024). Subject to the provision of Section 7, this Committee shall be chaired by the Governor of the Central Bank of Nigeria who shall appoint the Secretary of the Fund. Other members of the Committee shall include the Minister for Education, Minister for Finance, Chairman of the National Universities Commission, Auditor-General for the Federation, representatives of Vice-Chancellors forum of all Nigerian Universities, Rector’s forums of all Nigerian Polytechnics, Provost’s forum of all Colleges of Education in Nigeria, the Nigerian Labour Congress, Nigerian Bar Association and Academic Staff Union of Universities. Also, for the tenure of office, section 8 of the Act expressly stipulates that the members of the Committee are required to hold office

for the term for which they have their substantive offices and shall be automatically replaced by their successors ([Aidonojie & Anne, 2021](#)). By the provisions of section 9, a member ceases to hold office as such if he dies, becomes bankrupt, is convicted of a felony or any offense involving dishonesty or fraud, becomes of unsound mind, resigns, or is guilty of serious misconduct about his duties ([Ahemba, 2006](#)). However, it is important to take cognizance of the fact that despite the wide functions and powers of the Committee under the Act, the President of the Federation is empowered to alter the decision of the Committee or give such directives to the Committee as he deems fit if he is satisfied that it is in the interest of the Committee or the public according to section 10 of the Act.

Another salient provision of this Act is section 12 which provides the various sources from which the Fund shall be funded and they include: Education financing in Nigeria is supported through education bonds and education endowment fund schemes. Additionally, 1% of all taxes, levies, and duties collected by the Federal Inland Revenue Service (FIRS), Nigerian Immigration Service, and Nigerian Customs Services contribute to the fund. Another 1% of all profits accruing to the government from oil and other minerals further supports education. The fund also benefits from donations, gifts, grants, endowments, and other revenue sources.

Furthermore, section 14 of the Act provides the criteria for eligibility of any student who wants to access the loan. To be eligible to apply for the student loan, the applicant must have secured admission into any of the Nigerian Universities, polytechnics, colleges of education, or any vocational school established by the state or federal government. The applicant's income or family income must be less than N500,000 per annum to qualify. In addition, he/she must provide at least two guarantors each of whom shall be a civil servant of at least level 12 in the service, a lawyer with at least 10 years post-call experience, and a judicial officer or justice of the peace.

There are, however, some students who are disqualified from applying for the Loan and this is contained under section 15 of the Act ([Aidonojie, et al., 2025](#)). The following persons are disqualified from accessing the loan: A student has proven to have defaulted in respect of any previous loan granted by any organization; A student found guilty of exam malpractice by any school authority; A student convicted of a felony or any offense involving dishonesty or fraud; A student convicted of drug offenses; A student whose parents have defaulted in respect of a student loan granted to the student. However, after a student has satisfied all criteria for eligibility, section 16 of the Act provides for the methods and requirements of application. It stipulates that eligible applicants can submit their applications through their bank to the Chairman of the Committee accompanied by a cover letter signed by the head of the institution and the student affairs officer of the institution ([Souad Ezzerouali, 2025](#)). The application shall be accompanied by the following documents: A copy of the student's admission letter; A letter by the guarantors addressed to the Chairman of the Committee; Two Passport photographs from each of the guarantors, name of

employer, and evidence of employment; Particulars of the guarantor's business registration with the Corporate Affairs Commission or any other appropriate authority and his bankers where the guarantor is self-employed (Wakili et al., 2025). The processing of an applicant's application and subsequent disbursement shall be done within 30 days of receipt of the application by the Chairman of the Committee as provided under section 17 of the Act but it is important to note that disbursement shall however be subject to availability of funds connoting that in the absence of such fund the students will be provided with such loans thereby defeating the whole purpose of the Act and the Fund (Herman & Hayat, 2021).

Concerning the loans granted, one of the most important steps involved in such a process is the repayment of the loan and the student loans granted by the Nigerian government. By section 18 of the Act, beneficiaries of the Student Loan under the Act shall commence repayment two years after completion of the National Youth Service Corps (NYSC) program. This shall be done by directly deducting 10% of the beneficiaries' salary at the source by the employer and credited to the fund. Where the beneficiary is self-employed, he shall remit 10% of his total profit monthly to the fund. It should be noted that any self-employed person who fails to send information such as the name of business (Astuti & Jannah, 2025), address, registration documents, name of bankers, name of partners, name of directors and shareholders to the Committee within 60 days of assuming that status commits an offense and is liable on conviction to a fine of N500,000 or imprisonment for a term of two years or both.

Concerning the above, it suffices to state that there are several advantages to the Students Loan Act, the most obvious of which is the fact that it provides students with access to higher education, which plays a vital role in building a skilled workforce capable of driving innovation, entrepreneurship, and economic development (Halimi, 2023). Other advantages include the flexible repayment terms and low interest rates on government-backed loans. However, just like there are advantages, the student loan also has its disadvantages or defaults. The most glaring is the fact that the Act only focuses on tuition fees and excludes other fees and needs such as Housing, Meals, books, laptops, and transportation in school (Fauzan & Arifta, 2020). The demand for student loans far exceeds available resources, leaving many deserving students without access to financial aid. This student loan act tends to favor students from wealthier backgrounds, who can access quality education without resorting to loans. Furthermore, the need to provide two guarantors demonstrates a disconnect between the target audience and the nature of the guarantors required. Low-income households with an annual income of less than N500,000 are less likely to have strong enough relationships with guarantors who are likely to put their careers on the line to access the loan. The student loan scheme is only for students in public tertiary institutions.

### ***Legal Framework Concerning Students Loan Act in Uganda***

Concerning the fact, the Uganda government is aware that the Uganda citizens being educated could contribute to a more robust development. The government in 2014 enacted a law to facilitate higher education loans and scholarships. The preamble of the Uganda Education Loan Act stipulates that the essence of the act is meant to support students in financing or remunerating their tuition fees within tertiary education (Aljazi, 2024). In this regard, section 2(3) of the Uganda Tertiary Education Loan Act stipulates that the scheme is meant to be managed by a board established by section 3 of the act. However, concerning the provision as it relates to students accessing the loan, section 2(2) of the act stipulates that the loan scheme shall involve: 1) A loan to tertiary institution students; 2) Scholarship to tertiary institution.

Furthermore, section 16 of the Uganda Education Loan Act stipulates that lending of loans to students shall include the following expenses:

1. The tuition fees of tertiary institution;
2. Fees for functions;
3. Fees to cover expenses;
4. Fees for the appliances of a disability's person.

However, section 17 of the act stipulates that every loan accessible to students shall be payable with interest, though the interest is determined by the minister for finance.

Concerning the above, it suffices to state that the Student Loan Act of Uganda is not meant alone to cover tuition fees, but other necessities, such as accommodation, meals, research, appliances for disabled persons, and other relevant education functions. Furthermore, another fundamental observation of the student loan facilities of Uganda is that the act did not provide for any collateral or shortage for students and stringent procedures to access education loans (Fauzi et al., 2020).

Also, concerning the student scholarship section 18 of the act stipulates that students who gain admission into tertiary institutions shall be awarded a scholarship upon application. Section 18 of the act further stipulates that the granting of the scholarship shall be based on the field of study that is by the National Development Plan. Concerning this, it suffices to state that the scholarship extends beyond Uganda University. This is concerning the fact that section 18(10) of the act stipulates that approval of scholarship to study in an external institution can only be approved if the academic field is not offered by any tertiary institution in Uganda. However, section 20 of the act stipulates that for an applicant to qualify for a loan or scholarship the following must be taken into consideration: There must be a balance of region, the gender of the applicant, if the applicant is a socio-economical challenge and it must be equitable.

Irrespective of the above the board is meant to take into consideration government policy on education and national development plans when determining if an applicant is qualified (Aziz, 2024). By section 23 of the act students who have completed their study after one year are required to repay the loan. The section further stipulates that

where graduated students have not secured employment and have no means of payment, they shall notify the board who shall extend the time for repayment.

### ***A Comparative Analysis of the Nigeria and Uganda Legal Framework***

Concerning the above analysis of the Students Loans Act of Nigeria and Uganda have the following differences: The Nigeria Student Loan Act presently, just like it is poorly defined in Section 3, only covers tuition fees and does not include costs related to other essential education-related expenses. The Uganda Student Loan Act, on the contrary, takes a comprehensive approach in Section 16, consisting of costs relating to tuition fees, research, fees for function, and anything extra required for a student with a disability. Therefore, these diverse costs cover the wide variety of the actual financial needs of students while offering an even wider net for safety in financial terms. Along with loans, Uganda's law also makes provisions for grants which will especially serve students from poor backgrounds who have trouble repaying the loan amount. The Nigeria Student Loan Act, on the other hand, exclusively provides loans with no alternative funding options, which creates issues for students who are not financially sound. Moreover, the Act also incorporates scholarship schemes that would tend to minimize student reliance on loans and serve as an avenue for additional support for economically deprived but high-performing students, unlike the Nigerian law, which does not make provisions for scholarships, thereby limiting opportunities for those high-performing but deserving students.

Loan accessibility is defined by the requirement of the guarantor, among other things. The conditions attached to the Nigerian Student Loan Act demand that a guarantor be a professional or civil servant with at least ten years. Such rigid criteria form a very high barrier, especially to students from poor or underprivileged communities who might not even know one such guarantor. On the other hand, the Uganda Student Loan Act allows any citizen with a steady income to become a guarantor which thus opens up avenues of access for thousands of students, including those who come from disadvantaged backgrounds. Heavy forms of penalties concerning loan defaults, as captured under Section 18(6) are also witnessed in Nigeria; this makes it possible for students to shy away from seeking financial help services on account that the consequences are too dire. But under Section 25(2), Uganda slightly bends its back in that it has recovery methods as opposed to punitive measures, thus giving enough assurance to its subjects and creating a context for responsible borrowing and repayment.

Inclusivity is enhanced by the Uganda Student Loan Act by allowing students from public and private institutions to access financial aid, thereby encouraging equity in higher education. In contrast, Nigeria's Act limits eligibility to students receiving education in public institutions, thereby excluding a large section of those attending private universities. This restriction, meanwhile, in its way retards the efforts for higher access to higher education. Clearly, these differences call for the need for Nigeria to adopt some aspects of the Ugandan student loan regime for an inclusive,

flexible, and much more accessible financial aid system for students in higher education.

### **Conclusion**

Education plays a crucial role in the sustainable development of any society. However, in developing countries like Nigeria and Uganda, many individuals struggle to afford tertiary education due to low standards of living. To address this issue, both governments have enacted student loan laws to provide financial support for higher education. The study finds that while both countries have implemented student loan acts, Nigeria's version faces several challenges. The Nigerian Student Loan Act limits access to students in public institutions, has strict eligibility requirements, covers only tuition fees, and imposes harsh penalties for non-repayment. In contrast, Uganda's law includes grants and scholarships, making it more comprehensive.

To improve Nigeria's Student Loan Act, amendments should be made to include students from private institutions, cover additional education expenses beyond tuition, introduce grants and scholarships, revise repayment penalties to be more flexible, and simplify the loan application process. Adopting these changes, in line with Uganda's model, would enhance access to quality education and promote national development in Nigeria.

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### **Declarations**

- Author contribution : Conceptualising was done by Muwaffiq Jufri. Paul A. Aidonojie, Godswill Owoche Antai, and Erma Rusdiana. Collation and discussion of the result was done by Paul A. Aidonojie a final review and editing of the manuscript were done by Paul Atagamen Aidonojie and Eregbuonye Obieshi.
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