

WAFUNDA

Income Share Agreement Frequently Asked Questions





Frequently Asked Questions

Understanding the basics

1. What is an ISA?

An Income Share Agreement (ISA for short) is an innovative education financing tool. ISAs work like a Stokvel: you receive financing for your studies, and then when you're earning enough to support yourself you pay back a percentage of your salary to support the education of future generations. An ISA lets you receive financing without the danger of taking on a loan. If you are successful in your career, you will have the opportunity to pay it forward to the next students. However, if something stops you from earning, you will not have a burden of debt.

2. What is a Chancen ISA?

Chancen Income Share Agreement (ISA) started in Rwanda in 2018. The Chancen ISA mission is to remove financial barriers regardless of one's financial background. The Chancen ISA is a fair and ethical financing tool that hopes to help 10,000 young people graduate and find gainful employment in Africa.

3. Who is WaFunda?

WaFunda is a South African social impact enterprise that promotes equal access to education for all regardless of your financial background by removing financial barriers to tertiary education. WaFunda is the primary partner of the Chancen ISA in South Africa. WaFunda works with you from your first days learning about the ISA all the way through to your final repayment. WaFunda supports you throughout your Chancen ISA journey.

4. What are the Chancen ISA values?

- Equality
- Solidarity
- Communication
- Honesty
- Commitment
- Responsibility



Student Questions:

1. Can I choose my own programme of study and then seek financial support from WaFunda?

We do not support students individually. We will only support you once you are admitted to one of our partner education institutions (PEI).

2. What benefits do Chancen ISA students have?

Chancen ISA students become members of the WaFunda community and have access to different support services such as financial literacy and work readiness programmes.

3. What happens if I get suspended?

Suspension is based on your study institution's policies. Your institution will then contact WaFunda upon your suspension and WaFunda will call a meeting between you, your Champions and your programme to discuss your suspension and agree on next steps.

4. What happens if I drop-out of my programme?

If you drop-out of your programme, you are required to repay the financed amount up until the drop-out date. You are also required to pay a drop-out fee, which your Champion is liable for if you are unable to pay.

5. When do the terms start?

Your programme's term will be available on your institution's academic calendar.

6. What is a commitment fee?

Commitment fees are a minimum of a R120 which you pay, on a specific schedule, to show your continued commitment to your programme, WaFunda and the ISA agreement. Commitment fees contribute to your ISA's repayment amount. At graduation all commitment fees are added up and subtracted from your ISA repayment total. You will pay your first commitment fee when you sign your ISA agreement.

7. What is an unemployment fee?

The unemployment fee is a small fee you and/or your Champions pay during any months that you may be unemployed. We work with PEIs that have been selected, on their ability, to graduate employable young people. We know gaps in employment happen, the unemployment fee exists to motivate your job search and to show continued participation in the Chancen ISA.

8. How will I pay back when I graduate from my programme?

Your repayment only begins once you have graduated and are earning above a certain amount, called the minimum income threshold. Our unique algorithm ensures that you pay a percentage of your net income that does not encroach on your basic needs.

9. Do I pick the percentage I will pay back after I graduate?

No, the percentage is fixed from when you sign the ISA agreement.

10. Can the repayment percentage change due to inflation?

No, the percentage will remain the same.

11. Are ISA repayments based on net or gross income?

Your repayment calculation will be made based on your net income.



Student Questions Continued:

12. Do I have to pay back the full tuition fees?

You will pay back monthly based on your income, those who earn more will pay more each month. You will only repay throughout the duration of your ISA period.

13. Can I pay back faster if I am earning more?

Yes, you can repay faster by making larger, monthly repayments, if you wish to, under the specific terms highlighted in the ISA agreement.

14. What happens if I cannot pay back during the repayment period?

Once the ISA agreement ends, you are no longer responsible for repayments.

15. What happens if my Champion is also unemployed or cannot make the contribution?

You and your Champions will have a meeting with WaFunda to discuss a suitable solution.

16. If I get married, will my partner be liable to make repayments if I am unemployed after graduating?

No, your partner will not be liable for your ISA repayments.

17. How do you know that I am receiving an income?

WaFunda works with financial institutions and your employer to check your income and employment status.

18. How will WaFunda check my income if I am not a permanent employee and I do not pay any taxes?

WaFunda works with institutions that have a proven record of employment, thus ensuring you work in registered companies where income checks can be performed. In a case where you are self-employed, and not making regular payments, WaFunda will have a meeting with you to understand what is happening and discuss next steps.

19. What if I become an entrepreneur, and don't have a salary from a company?

ISA repayments are based on income, as an entrepreneur your repayments will be calculated based on your earnings.

20. Is a stipend considered income?

Yes, if the stipend is above the minimum income threshold, you will make repayments.

21. How can I terminate my ISA agreement?

The ISA agreement will end when the repayment is complete and/or when the agreement period is over.

22. Will WaFunda cancel my ISA if I get pregnant?

This will depend on the Partner Education Institution's policy. The ISA agreement allows for breaks in study, so long as they are discussed and agreed to by you, your programme, your Champions and WaFunda.

23. What happens if I die?

Your ISA agreement will be canceled, no repayments are required from anyone else.

24. At which level of education can I get financial support from WaFunda (Primary, High school, University, Postgraduate, etc.)?

Currently, we support young people who want to further their studies at one of our Partner Education Institutions (PEIs).

Champion Questions:

1. What is a Champion?

A Champion is someone who will champion your studies and is on your team. The Champion has to be at least 25+ years old. They are ideally the closest people to you and can be a parent or close family member. You cannot nominate a friend or spouse. You will also have to justify why you have chosen the person in question, as your Champion, and why they are the right person to help you through your studies.

2. When do I nominate Champions?

You are required to nominate 2 Champions when you apply for the Chancen ISA..

3. What are Champions responsible for?

Champions are there to support and motivate you throughout your studies. They are also responsible for the drop-out fee if you drop-out. Finally your Champions are responsible for the unemployment fee if you are unemployed after graduation.

4. What happens if neither myself nor my Champions can pay the drop-out fee if I drop-out?

You will inform WaFunda as soon as possible to discuss possible solutions.

5. What happens if I am unemployed and both of my Champions cannot pay the unemployment fee?

You will inform WaFunda as soon as possible to discuss possible solutions.

6. If I am married, is my spouse also liable for the drop-out and employment fee?

No, only your Champions are liable for the drop-out fee and unemployment fee.

7. Can I change Champions?

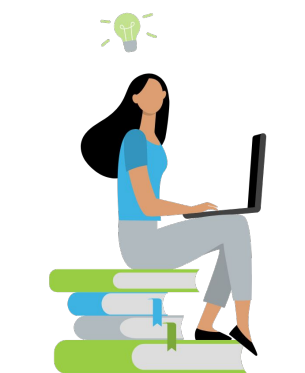
Yes, however, you must notify WaFunda and give supporting reasons as to why you want to change a Champion and nominate a new one. This will include communication with the new Champion, and potentially with the old Champion.

8. In the agreement it states that Champions are responsible for the unemployment fee. If I am unemployed and cannot pay the fee, does this mean both Champions pay the fee?

No. The unemployment fee is set, it is up to you and your Champions to decide how payment will be portioned out.

9. How long do Champions have to pay the unemployment fee while I am unemployed?

Champions will jointly pay the unemployment fee for the months that you are unemployed.



Thanks, Enkosi, Dankie, Siyabonga

Contact Us

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