

WAFUNDA

Income Share Agreement

Frequently Asked Questions



General Questions

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 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 traditional loan. If you are successful in your career, you will have the opportunity to pay it forward to the next generation of students. However, if something stops you from earning, you will not have the burden of debt.

What is a Chancen ISA?

The Chancen Income Share Agreement (ISA) started in Rwanda in 2018. The Chancen ISA's 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.

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.

How will I pay back my ISA 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.

Does the percentage change after I graduate?

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

Can the repayment percentage change due to inflation?

No, the percentage will remain the same.

Are ISA repayments based on net or gross income?

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

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).

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, work readiness programmes and psychosocial support programmes.

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.



Student Related Questions

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.

When do the terms start?

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

What is a commitment payment?

Commitment payments 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 payments contribute to your ISA's repayment amount. At graduation all commitment payments are added up and subtracted from your ISA repayment total. You will pay your first commitment payment when you sign your ISA agreement.

What is a service fee?

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

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.

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.

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

You will have to provide proof that you are unemployed for the duration of the contract and continue to pay the monthly service fee.

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.

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.



Student Related Questions Continued

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.

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.

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.

Is a stipend considered income?

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

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.

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 these breaks are discussed and agreed to, by you, your programme, your Champions and WaFunda.

What happens if I die?

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

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

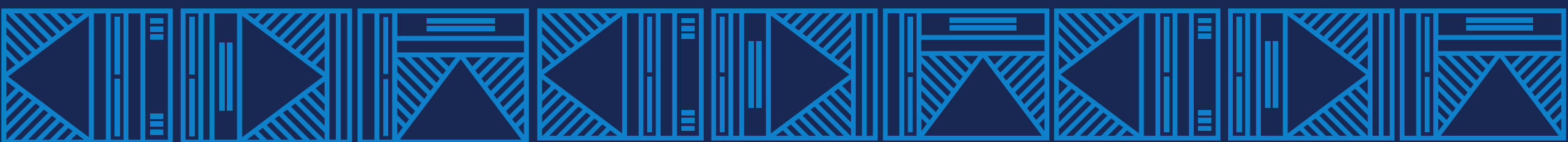
Currently, we support young people who want to further their studies at one of our Partner Education Institutions (PEIs).

What happens if I cannot pay the drop-out fee?

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

What happens if I am unemployed and cannot pay the service fee?

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



Champion Related Questions

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. 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.

When do I nominate Champions?

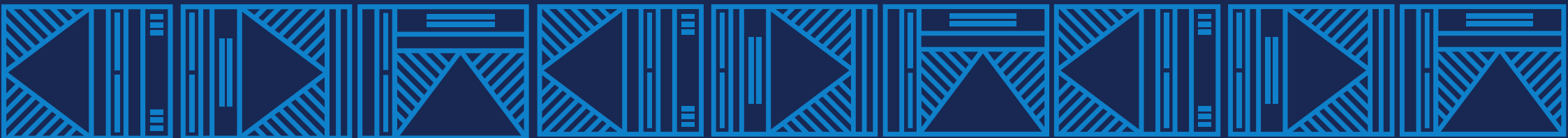
You are required to nominate 2 Champions when you apply for the Chancen ISA..

What are Champions responsible for?

Champions are there to support and motivate you throughout your studies.

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.



THANK YOU

Contact Us

We would love to hear from you

www.wafunda.com

hello@wafunda.com

