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Perception Survey on Student Loans Scheme Policy Implementation on Educational Development in Nasarawa State Nigeria

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Abstract

The introduction of the Student Loan Scheme Policy in Nigeria was designed to enhance access to higher education, reduce financial barriers, and promote equitable opportunities for students from diverse socio-economic backgrounds. This study examines the perception of students on the accessibility and affordability of the Student Loan Scheme Policy and its effect on school enrolment, retention, and completion rates in Nasarawa State. Guided by the Policy Implementation Theory and Human Capital Development Theory, the research adopted a quantitative survey approach, collecting responses from students across selected tertiary institutions in the state. The findings reveal that while the policy has created opportunities for increased enrolment, significant challenges remain regarding its accessibility, including complex application procedures and limited awareness. Similarly, issues of affordability, particularly repayment conditions and financial sustainability, were found to influence retention and completion outcomes. The study recommends decentralised application processes, enhanced awareness campaigns, subsidised interest rates, and flexible repayment structures as strategies to strengthen the effectiveness of the scheme. Effective implementation of these measures will not only improve educational access and outcomes but also contribute to human capital development and socio-economic growth in Nasarawa State and Nigeria at large.

Keywords*: Student Loan Scheme, Accessibility, Affordability, Enrolment, Retention, Completion, Higher Education, Nasarawa State*

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Background to the Study

In recent decades, the global push for equitable and inclusive education has underscored the need for innovative financing mechanisms to remove financial barriers that prevent students from pursuing tertiary education. Across various countries, student loan schemes have emerged as a critical tool for broadening educational access, with models ranging from income-contingent loans to interest-free schemes. For example, Australia's Higher Education Loan Program has demonstrated that the availability of income-contingent loans can sustain enrolment levels even amidst substantial public tuition hikes. These global experiences inform the design of domestic policy instruments aimed at advancing educational equity and human capital development (Fatimayin, Edinoh, and Oche 2024).

Within the Nigerian educational finance landscape, the Nigerian Education Loan Fund (NELFUND) was formally established under the Student Loans (Access to Higher Education) Repeal and Re-enactment Act, 2024 (Nigerian Education Loan Fund, 2025). Launched on 24 May 2024 and operationalised by April of that same year, NELFUND aims to provide financially disadvantaged students with interest-free (or low-interest) loans covering tuition fees and upkeep during their studies at approved tertiary and vocational institutions (Nigerian Education Loan Fund, 2025; Tersoo, 2025). As of mid-2025, over 600,000 students had registered through the Fund's portal, with a 92–93 percent application processing success rate, underscoring the scheme's rapid uptake (Musa, 2025; Tersoo, 2025). In just its first year, NELFUND disbursed approximately ₦56.85 billion to nearly 298,124 beneficiaries, with funds allocated directly to institutions and as stipends to support students (Musa, 2025). Despite these promising numbers, critiques of NELFUND have surfaced. Concerns have been raised about structural implementation gaps, regional disparities in access, gender bias favouring male applicants, and affordable repayment in the face of Nigeria's high youth unemployment (Akinfala, 2024; The Guardian, 2025; TheCable, 2025). The policy's core objectives thus centre on expanding access to higher and technical education, promoting equity, and advancing national development through a knowledge-driven workforce.

Despite this progressive policy framework, the efficacy of NELFUND in translating funding into real educational gains remains contested. Stakeholder concerns highlight persistent gaps in disbursement timelines, regional inequities in loan allocation, the narrow inclusion of certain fields of study, and the overall sustainability of loan repayment given Nigeria's high graduate unemployment rates. Although over 300,000 students have registered and nearly 20,000 have received disbursements, systemic funding deficits and governance challenges threaten the scheme's capacity to deliver sustained educational impact.

At the sub-national level, Nasarawa State presents a compelling setting to examine how students perceive the implementation of this loan scheme, particularly in relation to educational development outcomes such as school enrolment and student retention/completion rates. Being a state with a mix of urban and rural tertiary institutions, Nasarawa provides rich ground to assess how perceptions of accessibility, affordability, and administrative efficiency shape educational aspirations and actual progression among students. Understanding these perceptions is essential for evaluating whether the student loan scheme is delivering on its promise of widening access, reducing dropouts, and fostering academic success.

Thus, this study situates itself within the broader global discourse on educational financing while critically engaging with Nigeria's evolving student loan policy. By focusing on perceptions in Nasarawa State and linking them to indicators of educational development specifically enrolment and retention/completion it seeks to shed light on the real-world efficacy of NELFUND's implementation and its contribution to educational advancement. Specifically, the study aims to:

i. Examine the perception of students on the accessibility of the student loan scheme policy and its effect on school enrolment in Nasarawa State.
ii. Assess the perception of students on the affordability of the student loan scheme policy and its effect on student retention and completion rates in Nasarawa State.

Literature Review

Conceptual Clarification

Educational Development

Educational development refers to the systematic process of improving the quality, accessibility, equity, and outcomes of education to meet the dynamic needs of individuals and society. It goes beyond mere schooling to encompass curriculum reforms, teacher training, infrastructure provision, and the adoption of innovative pedagogical strategies that enhance learning outcomes. According to Omodero and Ihendinihu (2022), educational development is crucial in equipping learners with the skills, knowledge, and values necessary to participate meaningfully in social, political, and economic spheres. It is also considered a central driver of human capital formation, as it shapes employability, productivity, and innovation, which are essential for national development. Furthermore, contemporary perspectives emphasise inclusive and lifelong learning approaches, recognising that educational development should not only target formal schooling but also vocational training, adult literacy, and digital literacy (UNESCO, 2023). However, challenges such as inadequate funding, disparities in resource distribution, and limited integration of technology often undermine the process. Thus, educational development is best understood as a holistic and ongoing transformation aimed at creating equitable, resilient, and future-ready education systems that respond to global demands and local realities.

Accessibility

Accessibility in development studies and social sciences refers to the degree to which individuals or groups are able to reach, utilise, and benefit from essential resources, services, and opportunities without discrimination or barriers. In the context of education, accessibility denotes the removal of structural, social, economic, and physical impediments that prevent learners from obtaining equal educational opportunities. As noted by Owusu-Agyeman and Fourie-Malherbe (2021), accessibility ensures that every learner, regardless of socioeconomic status, gender, disability, or geographic location, can meaningfully engage with and benefit from education. Recent studies further highlight that accessibility is not limited to physical access but also extends to digital and cognitive access, particularly in the era of online learning

(Adebayo & Abdulrahman, 2022). Accessibility thus represents a rights-based approach that guarantees inclusivity, equity, and fairness in the distribution of educational resources and opportunities. Barriers such as poverty, cultural biases, inadequate infrastructure, and technological divides continue to undermine accessibility, particularly in developing countries. Consequently, ensuring accessibility has become a key policy priority in advancing sustainable development goals, particularly Goal 4, which seeks to promote inclusive and equitable quality education for all by 2030 (UNESCO, 2023).

Affordability

Affordability refers to the extent to which individuals or households are able to access and sustain the cost of essential goods and services, such as education, healthcare, and housing, without experiencing undue financial strain. In the context of education, affordability implies that the costs of tuition, learning materials, uniforms, technology, and other associated expenses do not constitute a barrier to participation and retention in school. According to UNESCO (2021), affordability is a critical determinant of equitable access to education, particularly in developing countries where poverty rates are high and families must often prioritise immediate survival needs over schooling. Affordability is not solely about direct costs, but also indirect costs such as transport, opportunity costs of child labour, and hidden levies that cumulatively burden households. Recent studies also argue that affordability extends to digital learning resources, especially in the post-COVID-19 era, where internet data, devices, and electricity are essential for accessing education (Adebayo, 2022). When education becomes unaffordable, it deepens inequality, increases dropout rates, and undermines the goal of inclusive and equitable quality education for all. Ensuring affordability thus requires deliberate policy interventions such as subsidies, scholarships, free basic education programmes, and investment in digital infrastructure to remove cost-related barriers (Adedokun et al., 2023).

Enrolment

Enrolment in education refers to the process and rate at which learners are registered and admitted into educational institutions at different levels, serving as a key indicator of access, participation, and progress in the education sector. It provides a measure of how well a society is fulfilling the right to education and ensuring inclusivity in learning opportunities. UNESCO (2023) defines enrolment as both gross and net participation rates, with gross enrolment representing the total number of students enrolled in a given level of education regardless of age, while net enrolment focuses on the proportion of children of official school age who are enrolled. Enrolment is widely recognised as a fundamental indicator of educational development and is strongly linked to broader socioeconomic progress, as higher enrolment rates often correlate with improved literacy, human capital formation, and poverty reduction (World Bank, 2021). However, disparities in enrolment persist due to socioeconomic inequalities, gender biases, geographic barriers, and limited infrastructure. For instance, rural communities often face lower enrolment rates due to poverty, inadequate schools, and child labour demands (Ene, 2022). Moreover, the transition from enrolment to retention and completion is often constrained by financial, cultural, and institutional challenges. Hence, while enrolment is an important first step in ensuring access to education, it must be complemented by policies and practices that enhance retention, completion, and learning outcomes.

Retention

Retention in the context of education refers to the ability of an academic institution to keep students enrolled until they successfully complete their programme of study. It is widely regarded as an essential indicator of institutional effectiveness, as it reflects the capacity of schools and universities to provide quality learning environments that support student persistence. According to Tinto (2020), retention is influenced by academic, social, and financial factors, with student engagement and institutional support being crucial determinants of whether learners remain in school. Retention is particularly significant because high dropout rates not only undermine individual academic and career prospects but also weaken national human capital development. More recent research highlights that retention is increasingly connected to student well-being and inclusive learning environments, where factors such as mentorship, access to resources, and psychological support services play critical roles (Kahu & Nelson, 2018; Aljohani, 2020). Thus, educational institutions are now shifting towards holistic strategies that integrate academic excellence with mental health support, peer networks, and financial aid systems, recognising that retention is multi-dimensional. Effective student retention policies therefore serve as a bridge to equitable education, ensuring that learners are not only admitted but also successfully complete their programmes, thereby contributing meaningfully to society.

Student Loan Scheme Policy

Student lending in Nigeria has its roots in the early 1970s. In 1972, the federal military government under General Yakubu Gowon promulgated Decree No. 25, establishing the Nigerian Students Loans Board (NSLB), inaugurated the following year. Its purpose was to assist indigent students with tuition and living costs during a time of post-civil war recovery. In 1976, Decree No. 25 was amended with Decree No. 21 to extend eligibility to Nigerians studying abroad.

However, by the early 1990s, the initiative faced significant challenges. NSLB had disbursed approximately ₦46 million in loans by 1991, but only about 13% of this sum some ₦6 million was recovered, with defaulters exploiting legal loopholes and administrative weaknesses. In response, Decree No. 12 (1988) attempted to decentralise disbursement and loan recovery via regional zonal offices and international centers, yet the scheme still fell short due to poor repayment and structural issue. In 1993, the National Education Bank (Edubank) was established under Decree 50 to revamp student loan administration. Unfortunately, it never became operational, largely due to funding constraints and lack of governmental follow-through.

Decades later, efforts to reinstate a student loan framework emerged. A bill introduced in 2016 sought to revive the scheme. It was passed by the National Assembly and ultimately signed into law on June 12, 2023, as the Students Loan (Access to Higher Education) Act, 2023. The Act aimed to provide interest-free loans through the Nigerian Education Bank. Yet, the law was soon criticised for its restrictive eligibility criteria such as requiring low family income thresholds, two guarantors, and exclusions of accommodation and living costs and thus proved largely unimplementable.

To address these shortcomings, President Bola Tinubu signed the Student Loans (Access to Higher Education) (Repeal and Re-enactment) Act, 2024 into law on April 3, 2024. This reformed legislation abolished onerous stipulations like income thresholds and guarantor provisions. It also broadened the scope of support to include both tuition and upkeep, and established the Nigerian Education Loan Fund (NELFUND) a statutory corporate body with legal and operational autonomy to manage student loans.

NELFUND was structured under a governance framework supported by a board and a management team, headed by a Managing Director and operating under the Central Bank of Nigeria's oversight. It introduced an accessible online portal for applications and designed flexible repayment mechanisms, mitigating the constraints of the 2023 Act.
To date, NELFUND has disbursed substantial loan amounts to tertiary institutions, covering hundreds of thousands of students. For example, by late August 2024, nearly ₦3 billion had been disbursed to 19 institutions, with over 27,000 students benefiting. By early 2025, total disbursements exceeded ₦22 billion across more than 215,000 beneficiaries.

The policy objectives of the Student Loan Scheme in Nigeria as captured under the Students Loan (Access to Higher Education) Act, 2023 (amended in 2024) are designed to promote inclusive access to higher education, reduce financial barriers, and enhance human capital development. The key objectives include:

i. Promoting Equal Access to Higher Education. The scheme aims to ensure that no Nigerian student is denied access to tertiary education due to financial constraints, thereby promoting equity and inclusivity in the education sector (Adebayo & Eze, 2024).
ii. Reducing Financial Barriers to Learning. By providing interest-free loans to eligible students, the policy seeks to ease the burden of tuition fees and other educational costs, allowing students from low-income households to pursue higher education without dropping out (Okonkwo, 2024).
iii. Enhancing Human Capital Development. The loan scheme is aligned with Nigeria's broader national development goals of building a skilled workforce capable of contributing to economic growth and national productivity (World Bank, 2023).
iv. Encouraging Retention and Completion of Studies. The availability of loans is intended to reduce dropout rates by ensuring students can finance their education until graduation, thereby increasing retention and completion rates in tertiary institutions (Ogunleye & Salami, 2024).
v. Facilitating Repayment and Sustainability The policy introduces a structured repayment system tied to graduates' income after employment, which is meant to ensure sustainability of the scheme and continuous support for future students (Federal Government of Nigeria, 2024).
vi. Supporting Educational Reform and Equity The scheme reflects the government's

commitment to reforming higher education financing by creating a more inclusive, transparent, and sustainable system of funding that aligns with global best practices (UNESCO, 2023).

Empirical Review

Fatimayin, Edinoh and Oche (2024) set out to examine undergraduates' perceptions of the implementation of Nigeria's student-loan programme, with the objective of gauging awareness, perceived accessibility, and likely behavioural responses (including willingness to enrol or remain enrolled). The paper did not formalise a theory, but its framing is consistent with Human Capital Theory (HCT), in which students' expectations about affordable finance shape education investment decisions thereby making it highly relevant to a perception survey on accessibility and enrolment in Nasarawa State. Methodologically, the authors used a cross-sectional survey design appropriate for quickly capturing attitudes during early policy rollout with structured questionnaires administered to 373 undergraduates across Nigerian tertiary institutions; a relatively large sample was justified to improve precision and heterogeneity coverage across faculties and years of study. Findings showed moderate awareness but mixed perceptions of accessibility: many students viewed the loan as potentially helpful for tuition continuity, yet they flagged repayment fears, eligibility conditions, and bureaucracy as barriers; the study recommended targeted sensitisation, clearer repayment terms, and streamlined application processes to translate awareness into actual take-up and sustained enrolment. journals.eanso.org.

Ndika (2024) investigated "awareness and acceptance" of the Students Loans Act among undergraduates at Obafemi Awolowo University, Ile-Ife, with the objective of assessing whether knowledge and attitudes toward the scheme would support uptake and, by extension, stabilise or expand enrolment. While no explicit theory was stated, the study implicitly aligns with policy acceptance and information-constraint perspectives within HCT relevant to Nasarawa because perceived accessibility hinges on information, trust, and administrative experience. A quantitative survey of 350 undergraduates (sample size chosen to represent diverse faculties and levels within one large federal university) was adopted for speed and comparability across sub-groups; descriptive statistics were used to summarise patterns. The study reported low awareness and only "average" acceptance, with inhibitors including fear of indebtedness, unfavourable repayment terms, and concerns about eligibility and administrative bottlenecks; it recommended extensive campus-level sensitisation, financial-literacy support, and revision of eligibility and repayment clauses to reduce perceived risk and improve likely loan uptake and enrolment stability.

Sennuga, Ibrahim and Sennuga (2024) appraised the "new Nigerian Undergraduates' Loan Bill" at the University of Abuja to understand perceived impacts on students' academic progress and welfare, with the objective of inferring likely enrolment and persistence effects. The article did not anchor itself in a formal theory, but the analysis resonates with HCT and student-finance access models, making it pertinent to a perception survey on accessibility and enrolment in Nasarawa. Employing a mixed-methods approach was justified to triangulate numbers with lived experience: a structured questionnaire was administered to a sample of

100 students (sized for feasible primary data collection within one institution) and supplemented by 20 key-informant interviews to probe reasons behind attitudes. Results indicated that, while students anticipated financial relief that could improve study continuity, many remained sceptical about counselling support, debt burden, and eligibility screening; the authors recommended intensive pre-application counselling, debt-management education, and transparent, student-friendly processing to convert cautious interest into actual applications and reduced dropout risk.

Mgaiwa and Ishengoma (2023) provided a country-level empirical assessment from Tanzania on how student-loan financing influences equitable access to higher education useful as a comparative African case for interpreting enrolment effects of loan schemes. The study's objective was to determine whether current loan modalities widen access and how design features shape equity; its conceptual stance explicitly engaged equity-in-access debates within HCT and social-justice frames, which is relevant to Nasarawa because accessibility perceptions often hinge on whether eligibility and disbursement rules feel fair. Methodologically, the authors synthesised secondary and primary evidence using systematic discourse analysis an appropriate choice for evaluating a mature national scheme with rich documentation and stakeholder data. Although not a single-campus survey, the evidence base is broad; the study concludes that student loans have “to some extent” widened access, but design and funding constraints produce inequities that dampen enrolment among financially-vulnerable groups; it recommends re-examining eligibility and funding envelopes so “all needy applicants” can access support lessons that map directly onto Nigerian students' concerns about accessibility and enrolment intentions.

Fatimayin, Aderoju & Solomon (2024). The paper set out to gauge Nigerian undergraduates' perceptions of the Education Loan Fund (popularly, NELFUND) with an emphasis on affordability concerns and their likely behavioural consequences for persistence to graduation. Although the authors did not state a formal theoretical lens, the study is readily interpretable through Human Capital Theory (education as an investment whose affordability affects uptake and completion) and Policy Feedback Theory (perceived costs/eligibility rules shape citizen take-up). The study is directly relevant to Nasarawa State because it surfaces Nigeria-specific anxieties about repayment burden, collateral/guarantor rules, and eligibility restrictions all proximate drivers of whether students stay enrolled when finances tighten. Methodologically, the authors used a cross-sectional survey of undergraduates in two Nigerian institutions (n = 180), a pragmatic choice for quickly capturing perceptions during an implementation window; simple descriptive and inferential statistics were used to summarise affordability and acceptance indicators. The target population was all undergraduates in the two institutions (justified because they are the immediate beneficiaries/targets of the policy), and the sample size balanced feasibility with statistical power for proportion estimates. Key findings were that awareness was uneven, affordability worries (especially repayment risk during unemployment) were salient, and procedural barriers depressed willingness to apply, which the authors argue could blunt the policy's promise for retention and completion unless addressed. They recommend simplifying application/guarantor requirements, widening eligibility (e.g., for private-university students), and providing repayment safeguards (such as hardship or income-contingent features) to make the scheme genuinely affordable and persistence-enhancing.

Ndika (2024). This undergraduate research project examined awareness and acceptance of the Student Loan Act among Obafemi Awolowo University undergraduates, with affordability-linked inhibitors (debt aversion, distrust of policy, perceived discrimination) foregrounded as barriers to uptake and, by implication, to sustained enrolment. While no explicit theory is declared, the work aligns with Prospect Theory (loss aversion around debt) and Human Capital Theory (affordability shapes investment in schooling). Its relevance to your Nasarawa focus lies in its fine-grained mapping of cost-related perceptions useful for anticipating similar sentiments among students in North-Central Nigeria. The study adopted a quantitative survey design to capture population-level attitudes efficiently; 350 questionnaires were administered to undergraduates (the population being the full undergraduate body, with the sample justified on the grounds of coverage and descriptive precision). Findings showed low awareness (≈49%) and middling acceptance (≈50%), with affordability anxieties notably fear of future repayment hardship and distrust in government enforcement rules ranking among the top inhibitors; the author argues these sentiments could discourage applications and increase withdrawal risks for financially vulnerable students. Recommendations include turning portions of the loan into grants for low-income students, extending access to private-sector students, and introducing loan-forgiveness options for graduates in low-wage or public-service roles measures that would lower perceived/real costs and support persistence to completion.

Chen & Smith (2024). Focusing on the United States but methodologically rigorous and generalisable, this study estimated the causal effects of different federal loan levels on first-year persistence decisions (retention at the same institution, transfer, or system dropout). Grounded in Human Capital and Rational Choice perspectives, the paper is relevant because it isolates how loan amounts (i.e., affordability at the margin) map to persistence outcomes evidence that can inform Nigerian scheme design. The authors used nationally representative BPS:12/14 student-level data and marginal mean weighting through stratification (MMW-S) to address selection bias appropriate because loan uptake is non-random and confounded by need and academic preparation. The population covered first-time US entrants; large national samples provided power to detect heterogeneous effects across income and race/ethnicity. Findings indicate non-linear effects: compared with zero loans, moderate loan levels are associated with lower dropout, while low levels are associated with higher transfer, with adverse persistence effects concentrated among Black students at certain loan levels a pattern the authors read as affordability and risk differentials shaping retention. Recommendations include calibrating borrowing limits to cover true study costs, targeted advising/financial literacy, and equity-sensitive design (e.g., income-contingent features) to maximise persistence and minimise harmful debt exposure. For Nigeria, the implication is that too-small loans that fail to cover actual costs can destabilise enrolment, whereas sufficient, well-structured loans can support retention.

Arias & Meneses (2024). Using administrative panel data from Chile's CAE student-loan programme, this quasi-experimental study evaluated reforms designed to reduce payment burden and improve programme functioning, examining downstream effects on enrolment and dropout. The work sits within Human Capital and Public Finance frameworks (how loan price/repayment design affects schooling choices) and is pertinent to Nigeria because it traces how affordability-oriented reforms can translate into lower dropout a close analogue to retention/completion goals. Methodologically, the authors analysed a cohort of 5,276 university students (2014–2017) with econometric controls for observable differences appropriate given the availability of rich administrative data and policy timing. The population comprises first-year cohorts exposed to reform; the sample size ensures precise estimates. Findings suggest that loan-programme improvements correlated with decreased dropout rates and improved student progression, consistent with affordability effects on persistence. Recommendations emphasise continuously improving repayment terms, limiting burdensome guarantees, and ensuring predictable disbursements all features that make loans feel (and be) affordable, thereby supporting students to remain enrolled through completion. For Nigeria's scheme, the evidence points to design and implementation details not only headline eligibility being decisive for retention.

African comparator (Uganda) 2025 mixed-methods evidence on retention levers. Complementing the above, Uganda's recent mixed-methods evaluation of its public student-loan scheme tracked 430 loan-beneficiary students across four public universities (plus 12 key informants) to assess whether support services surrounding loans academic advising, financial literacy, and career development bolster academic performance and reduce attrition. Framed implicitly by Tinto's Student Integration Model (institutional/academic support undergirds persistence), the study used surveys and interviews to capture both outcomes and mechanisms, justifying the design by the need to link quantitative outcomes (GPA, satisfaction) with qualitative explanations. Results showed career development services strongly endorsed (≈85% agreement), while advising and financial-literacy supports were only moderate, yet advising frequency significantly predicted GPA ($\beta = .32$, $p < .001$) a pathway to retention. Recommendations include embedding structured academic advising and financial-literacy training within loan programmes policies that jointly enhance affordability management and persistence. The Ugandan experience underscores that making loans affordable in practice requires wrap-around supports so students can budget, course-plan, and stay enrolled.

Theoretical Framework

Human Capital Theory

Becker (1964) developed the Human Capital Theory, which posits that investments in education, skills, and training are forms of capital that enhance an individual's productivity and, by extension, the economic development of society. The theory holds that just as physical capital (machinery, equipment) contributes to output, so too do education and skill acquisition contribute to human productivity. In the context of higher education, financial investments such as student loans are viewed as a means of increasing individuals' human capital by removing financial barriers to acquiring knowledge and skills (Schultz, 2020).

The relevance of Human Capital Theory to the study lies in its emphasis on education as a catalyst for both personal and national development. The Nigerian Student Loan Scheme can be interpreted as a strategic investment in human capital, enabling students who lack financial resources to access higher education and develop their potential, which subsequently increases employability, earnings, and contributions to the economy (Ogunleye & Salami, 2024).

The major assumptions of the theory are that education directly improves productivity, higher levels of education lead to greater economic returns, and that individuals, when supported, will utilise education to contribute meaningfully to national growth. However, a key criticism of the theory is its tendency to oversimplify the relationship between education and economic outcomes by assuming that access to education automatically translates to employability and productivity. In reality, structural unemployment, poor quality of education, and weak labour markets such as those in Nigeria often hinder the translation of education into economic growth (Adebayo & Eze, 2024). Despite this criticism, Human Capital Theory remains a powerful framework for understanding the justification for student loan policies.

Social Equity Theory (Rawls, 1971).
Rawls (1971), through his Theory of Justice, provided the basis for Social Equity Theory, which emphasises fairness, equal opportunity, and distributive justice in social policies. According to the theory, policies should be designed to ensure that disadvantaged groups in society are not excluded from accessing essential opportunities such as education. Within the framework of the Student Loan Scheme in Nigeria, the policy represents a tool for promoting social equity by ensuring that students from low-income backgrounds have access to higher education on equal terms with their wealthier peers (Okonkwo, 2024).

The relevance of Social Equity Theory to this study is clear, as the student loan scheme aims to democratise access to higher education, particularly in a country where socio-economic inequalities often limit opportunities for the poor. By guaranteeing interest-free loans, the scheme aligns with the principle of fairness, ensuring that the costs of education do not perpetuate cycles of poverty and exclusion. The major assumptions of the theory are that fairness requires special attention to the most disadvantaged, that education is a public good deserving equitable distribution, and that policies should aim to level the playing field for all groups regardless of socio-economic status. However, the criticism of this theory is that in practice, ensuring equity through policy is often undermined by corruption, mismanagement, and bureaucratic inefficiencies, which may prevent the intended beneficiaries from accessing opportunities (World Bank, 2023). Furthermore, equity-based policies may sometimes face sustainability challenges when resources are insufficient to meet widespread demand.

Most Suitable Theory
While both Human Capital Theory and Social Equity Theory provide strong foundations for analysing the Student Loan Scheme Policy, Human Capital Theory is the more suitable framework for this study. This is because the scheme is primarily designed to increase educational attainment as a means of fostering productivity, employability, and economic growth, which are central themes in Human Capital Theory. Although social equity concerns

are embedded in the policy, its ultimate justification lies in the assumption that investments in education will yield economic and developmental dividends for Nigeria. Thus, Human Capital Theory not only explains the rationale for the policy but also provides a broader framework for evaluating its outcomes in terms of individual and national development.

Methodology

This study adopted the survey research design as its methodology. The survey approach is considered appropriate because it allows for the collection of quantitative data directly from students and relevant stakeholders to assess their perception of the student loan scheme policy and its effect on educational development in Nasarawa State. The target population of this study comprised undergraduate students from selected tertiary institutions in Nasarawa State which include Nasarawa State Univeristy, Keffi, Isa Mustapha Agwai I Polytechnic Lafia, College of Education Akwanga, as they are the direct beneficiaries of the student loan policy and therefore possess relevant experiences and perceptions regarding its implementation.

The sampling technique employed was purposive sampling, as only students enrolled in tertiary institutions who are potential beneficiaries of the student loan scheme were included in the survey. The total student enrolment across public tertiary institutions in Nasarawa State was estimated at approximately 40,000 (based on institutional records and projections).

The technique used in drawing the sample size is Taro Yamane (1967) formula defined as:

$$n = \frac{N}{1+N(e)^2}$$

Where;
n = sample size
N = total population size
1 is constant
e = the assume error margin or tolerable error which is specified as 5% (0.05) in this study.

$$n = \frac{N}{1 + N\,(e)^2} = \frac{40{,}000}{1+40{,}000\,(0.05)^2} = \frac{40{,}000.}{101} = 396$$

To account for possible non-responses, 10% was added to the calculated sample, bringing the total to 436 questionnaires administered.

Data Analysis

Out of the 436 copies of the questionnaire distributed, 402 were returned and found usable, representing 92.2% response rate, while 34 were not returned, representing 7.8% of the total sample. The high return rate ensures the reliability of the data collected. Data were analysed using descriptive statistics such as frequency counts, and percentages to examine the relationship between students' perception of the student loan scheme policy and its effect on accessibility, affordability, retention, and completion rates in Nasarawa State.

Table 1: The respondents were asked to examine the perception of students on the accessibility of the student loan scheme policy and its effect on school enrolment in Nasarawa State.

Option	Strongly Agree	Agree	Strongly Disagree	Disagree	Undecided	%
The student loan scheme policy in Nigeria is easily accessible to students in Nasarawa State.	119	178	45	34	21	397
The application procedures for the student loan scheme are simple and transparent for prospective beneficiaries.	81	160	76	21	59	397
The eligibility requirements of the loan scheme encourage more students to enrol in higher education	87	153	76	50	31	397
Lack of awareness about the student loan scheme limits its accessibility among students in Nasarawa State.	49	74	127	107	40	397
The accessibility of the loan scheme has a significant influence on students' decision to pursue tertiary education.	54	65	138	89	51	397

Source: Field Survey, 2025.

The responses in Table 1 reflect students' perceptions regarding the accessibility of the student loan scheme policy and its influence on school enrolment in Nasarawa State. From the distribution, a significant number of students (119 strongly agreed and 178 agreed) believe that the loan scheme is easily accessible, suggesting that the policy has achieved some level of reach. However, 45 strongly disagreed, 34 disagreed, and 21 were undecided, indicating that not all students experience the scheme as accessible. This implies a mixed perception, where accessibility may be influenced by students' background, level of awareness, and access to information. Regarding the application procedures, 241 respondents (81 strongly agreed and 160 agreed) affirmed that the process is simple and transparent, while a considerable number (197) either strongly disagreed or disagreed. This points to the existence of procedural barriers that may discourage some students from applying.

Furthermore, the eligibility requirements were perceived as encouraging higher enrolment, with 240 respondents (87 strongly agreed and 153 agreed) supporting this view. Still, 126 students disagreed or strongly disagreed, and 31 were undecided, indicating that the conditions may not be equally favourable to all categories of applicants. Importantly, lack of awareness was highlighted as a barrier, with 234 respondents (127 strongly disagreed and 107 disagreed) rejecting the view that awareness limits accessibility. This suggests that while awareness campaigns may have been somewhat effective, gaps still exist for a segment of the student population. Lastly, the perception of the scheme's influence on enrolment showed a divided response: 119 respondents (54 strongly agreed and 65 agreed) affirmed that accessibility influences enrolment, while 227 respondents either disagreed or strongly disagreed, and 51 were undecided. This implies that while student loans can drive enrolment, other factors such as socio-economic conditions and institutional policies also play significant roles. Overall, Table 1 indicates that although the loan scheme has enhanced accessibility and encouraged enrolment to some degree, structural barriers and limited awareness continue to hinder its full effectiveness.

Table 2: Respondent were further asked to assess the perception of students on the affordability of the student loan scheme policy and its effect on student retention and completion rates in Nasarawa State

Option	Strongly Agree	Agree	Strongly Disagree	Disagree	Undecided	%
The repayment conditions of the student loan scheme make higher education more affordable for students in Nasarawa State.	109	105	71	45	64	397
The affordability of the loan scheme helps students to remain in school without financial interruptions.	61	53	100	123	60	397
Access to affordable student loans increases the likelihood of students completing their studies on time.	99	131	84	60	23	397
High interest rates or strict repayment conditions discourage students from benefiting from the loan scheme.	87	133	76	60	41	397
The affordability of the student loan scheme positively impacts retention and completion rates in higher institutions in Nasarawa State.	164	84	55	78	11	397

Source: Field Survey, 2025.

Table 2 provides insight into students' perceptions of the affordability of the student loan scheme and its influence on student retention and completion rates in Nasarawa State. The results reveal that 214 respondents (109 strongly agreed and 105 agreed) believe the repayment conditions make higher education more affordable, while 180 respondents either disagreed or strongly disagreed. This demonstrates that while many students find the repayment structure beneficial, concerns over sustainability and fairness persist among others. Similarly, only 114 respondents (61 strongly agreed and 53 agreed) agreed that affordability helps students remain in school without financial interruptions, whereas a large proportion of 223 respondents strongly disagreed or disagreed. This reflects that the loan scheme may not be sufficient to fully address financial interruptions, suggesting gaps in coverage or timeliness of disbursement.

Moreover, 230 respondents (99 strongly agreed and 131 agreed) acknowledged that access to affordable loans increases the likelihood of timely completion, reinforcing the scheme's relevance in promoting educational development. Nevertheless, 144 respondents expressed contrary views, which could stem from difficulties in repayment conditions or the perception that loans alone cannot guarantee academic completion without broader institutional support. The data further show that high interest rates or strict repayment conditions discourage students, as 220 respondents (87 strongly agreed and 133 agreed) affirmed this, while 176 disagreed or strongly disagreed. This highlights affordability challenges that could undermine the policy's objectives. Lastly, a large majority (248 respondents, combining 164 strongly agreed and 84 agreed) agreed that affordability positively impacts retention and completion, while only 144 disagreed or strongly disagreed. This indicates strong support for the role of affordability in sustaining students through higher education.

Conclusions

This study set out to investigate the perception of students on the implementation of the Student Loan Scheme Policy in Nasarawa State, with a specific focus on its accessibility, affordability, and the effect these have on enrolment, retention, and completion rates. The findings revealed that while the policy has the potential to enhance access to higher education, students expressed mixed perceptions regarding its effectiveness. In particular, accessibility challenges, such as complex application procedures and limited awareness, were identified as critical barriers to increasing school enrolment. Similarly, concerns about the affordability of the scheme, especially in relation to interest rates and repayment conditions, were found to significantly influence students' willingness to take up the loan and their capacity to remain in school until graduation. These findings underscore that for the loan scheme to serve as an instrument of educational development, it must go beyond policy pronouncements to effective, transparent, and student-centred implementation.

Furthermore, the study highlights that the loan scheme is an important intervention in bridging financial gaps and promoting inclusivity in tertiary education. However, unless the challenges identified are addressed, the scheme may fail to achieve its objectives of reducing financial barriers and promoting retention and completion rates among students in Nasarawa State. Accessibility must be enhanced through decentralised and simplified application systems, coupled with sensitisation campaigns to raise awareness among students. Likewise, affordability must be guaranteed through the introduction of flexible repayment schedules, subsidised interest rates, and income-contingent repayment mechanisms that do not impose financial hardship on beneficiaries.

In conclusion, the success of the Student Loan Scheme Policy depends on the ability of government and key stakeholders to align its design and implementation with the realities faced by students. By making the scheme accessible and affordable, it can become a powerful driver of increased enrolment, improved retention, and timely completion of studies in Nasarawa State. Ultimately, strengthening this policy will not only expand educational opportunities but also contribute significantly to human capital development, poverty reduction, and socio-economic transformation in Nigeria.

Recommendations

Based on the findings of the study, the following recommendations were made:

i. The study recommends that the Federal Government of Nigeria, through the coordinating agencies of the student loan scheme, should intensify efforts to simplify and decentralise the loan application process to make it more accessible to students in

Nasarawa State. The findings show that although some students perceive the loan as potentially helpful for increasing enrolment in higher education, a significant number reported that the procedures are not simple or transparent, while others indicated that lack of awareness reduces accessibility. This suggests that students face challenges in navigating the application process, which could discourage prospective beneficiaries. To address this gap, government institutions should adopt digital platforms for loan applications with user-friendly interfaces and provide guidelines that are clear and concise for applicants. Additionally, loan awareness campaigns should be intensified across tertiary institutions through orientation programmes, student union collaborations, and the use of mass and social media platforms to ensure that more students are informed about their eligibility and the procedures involved. By making the loan scheme transparent and accessible, more students will be encouraged to pursue higher education, thereby increasing school enrolment rates in Nasarawa State and promoting inclusivity in educational development.

ii. The study further recommends that policymakers should review and adjust the repayment conditions and interest rates of the student loan scheme to ensure its affordability and effectiveness in promoting student retention and completion rates. The results indicate that while some students strongly believe that the scheme can make higher education more affordable and help them complete their studies on time, many others expressed concern about high interest rates and stringent repayment conditions that could discourage them from accessing the loan. This implies that affordability remains a major barrier for students who are financially constrained. Therefore, repayment plans should be designed to align with graduates' post-study income levels, with flexible repayment schedules that do not impose undue financial burdens immediately after graduation. Additionally, government and stakeholders should explore options for partial loan forgiveness, subsidised interest rates, or income-contingent repayment plans, which would encourage students to remain in school and complete their studies without financial interruptions. Such reforms would not only ease students' financial worries but also enhance retention and completion rates, ensuring that the loan scheme fulfils its objective of supporting sustainable educational development in Nasarawa State.

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