

14.12.2025

**Author**

BERLINGER, Edina

**Title**

An efficient student loan system : case study of Hungary

**Publication year**

2009

**Source/Footnote**

In: Higher education in Europe. - 34 (2009) 2, S. 257 - 267

**Inventory number**

26683

**Keywords**

Ausland : Ungarn : Studenten, Studium, Lehre ; Studiengebühren ; Studentenschaft : soziale Lage

**Abstract**

The Hungarian student loan system was introduced in 2001. It has four main attributes: universal access and universal conditions; income contingent repayment; private funding; and self-sustaining (zero-profit) operation without direct state subsidy. This latter characteristic makes the scheme quite unique in international practice. Empirical facts support the original idea: default rate is relatively low (1-2 per cent), administration costs per year are around 1 per cent of the portfolio value. This paper focuses on three issues: how the Hungarian model works; why a 'specialized institution' model is superior to a 'retail bank' model; and finally, why adverse selection is not as menacing as the literature may suggest. (HRK / Abstract übernommen)