



REPUBLIC OF KENYA

## MINISTRY OF EDUCATION SCIENCE AND TECHNOLOGY

### STATEMENT ON HELB ONLINE LOAN APPLICATIONS

Pursuant to Standing Orders 44 (2)(c) of the National Assembly, the Member for Runyenjes Constituency Hon. Cecily Mbarire, requested for a statement from the Chairperson of the Departmental Committee on Education, Research and Technology regarding the online loan application systems failure at the Higher Education Loans Board (HELB).

The MP stated the issues of concern as follows:

**Hon. Speaker, the systems at HELB have been down for the last 3 months. Students have been unable to access the online application system to apply for loans. As a result, many of them are unable to pay their fees and risk their respective institutions taking the necessary action against them for the fees default.**

**Hon. Speaker, in her statement, the Chairperson should inquire and report on:**

- (i) The measures that the Ministry and the Higher Education Loans Board (HELB) are taking to correct this situation;**
- (ii) The correct statistics of the number of applicants (students) who have been adversely affected by this situation and the measures to be taken to mitigate these effects on them; and**
- (iii) Whether HELB has enough funds to meet the increased demand for loans occasioned by the Double Intake.**

I hereby wish to respond to the issues raised as follows:

That the Higher Education Loans Board (HELB) introduced the online loan application platform five years ago to replace the manual application process in a bid to enhance service delivery and bring convenience to our clients. It is worth noting that the number of applications received annually for the last five years has

always ranged between forty thousand **(40,000)** and ninety thousand **(90,000)** for both first time and subsequent applicants thus underscoring the success of the new initiative.

However, in the 2013/2014 financial year, the Board saw unprecedented upshot in the number of applicants from previous average total of hundred thousand **(100,000)** to over hundred and seventy thousand **(170,000)**. The sharp increase in numbers and a rush to apply due to the relatively short period between the time the Joint Admissions Board (JAB) sent letters and the time the students were expected to report to the universities meant that all the applicants were attempting to access the online application simultaneously hence congestion of the application channel.

Secondly, the Board was also under DOS (Denial of Service) attack more than once by the same tech-savvy students which kept on paralyzing the operations in August and September, 2013. Despite the challenges and limited resources, the Board moved with speed to contain the situation through the following actions:-

1. Migration of hosting services to an alternative service provider and upgrade of resources to improve the perimeter vulnerability.
2. The extension of loan application deadline by two months from October 31<sup>st</sup> to December, 2013 in a stabilized environment to accommodate applicants affected.
3. Fast-tracking of development and commissioning of a new application platform to accommodate the growing number of applicants in 2014-15.

Through the above interventions, the Board was able to restore the service fully thus enabling the majority of the applicants who needed to apply to access our services, a fact supported by the successful applications totaling to over 170,000 that were received and processed against a possible maximum of about 172,000.

The Board has also enhanced its interaction level with the student fraternity through the social media outlets like Facebook and twitter where students' complaints and or concerns are responded to instantly thus creating a positive impact with the student community. The Board assures you that they will continue according student issues top priority and will always welcome any comments raised about its products and services to reach more Kenyans.

The Board will continue to modernize its services through digital outreach that is more effective in reaching students and also face to face interactions through student forums. The Board has also commissioned elaborate linkages with student Deans in various universities as its first contact in resolving students' issues.

## **Budgetary Resources**

The Board wishes to further point out that while enrolment at the universities has been growing at an exponential rate, the same cannot be said of the financial resources whose supply cannot match growth in the demand. The allocation by the Government has been constant or on a declining trend in funding higher education due to other competing demands socially from the National Treasury. For example in 2012/2013 academic year the Board received **2.3 billion** while in 2013/14 the Board received the same amount despite the increase in Government admitted students by over **13,300** students. This is again a funding requirement of Kshs.7.4 billion and Kshs.14 billion (under Differentiated Unit Cost model) for the years 2012/2013 and 2013/2014 respectively. Without additional funding, it will be difficult for the Board to adequately meet the ever growing student demand.



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