

# STUDENT LOAN CONTRACT

This is your contract with the *Crown* to receive and repay a student loan. This loan is available to you through the *Student Loan Scheme*. The purpose of this *Scheme* is to provide financial help to students enrolled in approved courses and programmes with tertiary *education providers* in New Zealand.

Your *loan contract* is in two parts.

- In Part 1 you will find your student loan details.
- In Part 2 you will find the terms and conditions of your *loan*.

The terms used in this document are explained in the Definitions section.

If you have any queries about any part of this *loan contract* please see the enclosed booklet or contact either *StudyLink* or *Inland Revenue*. You may also want to get your own independent advice on the *loan contract*.

Remember: What you borrow, you'll have to pay back.  
The less you borrow, the faster you'll pay off your loan.

# Table of Contents

## Part 1

Student Loan Signing page ..... 1  
Your Student Loan Details.....2  
Student Loan Signing page (Your copy) ..... 3  
Your Student Loan Details (Your copy) ..... 4

## Part 2 - Terms and Conditions

Introduction ..... 5  
Key details of your *loan* ..... 5  
1 Maximum you can apply for ..... 6  
2 Binding contract..... 6  
3 How to cancel your *loan* ..... 6  
4 Eligibility for a *loan* ..... 6  
5 What you can use the *loan* for ..... 7  
6 Receiving your *loan* money ..... 7  
7 The interest and *administration fees* on your *loan* ..... 8  
8 Repaying your *loan* ..... 8  
9 When your *loan* is transferred to *Inland Revenue* .....10  
10 When your *loan balance* is written off .....10  
11 Keeping us informed.....10  
12 *Notices* .....11  
13 Privacy .....11  
14 Assignment .....12  
15 Governing law .....12  
16 Consent of parent or guardian .....12  
17 Offences.....12  
18 Definitions .....13

# Student Loan CCYY – Signing Page

Please check this page, sign it, remove it and return it to StudyLink.

## BORROWER (The Student)

Your First Name(s) – include all your first names

--	--	--	--	--	--	--	--

Your Family Name or Surname

Date of birth (dd/mm/yyyy)


Your address – address for correspondence and formal notices

I have read, understood and agree to the terms and conditions of this *loan contract*.

Your signature

--	--	--

Date signed (dd/mm/yyyy)

**If you are under 18 years of age:** then a parent or guardian will need to consent to you entering into this *loan contract*. This doesn't apply if you are married, in a civil union, have any dependent children, or have had a Student Allowance Independent Circumstances grant. Your parent or guardian does not have to repay any of your student loan. The terms and conditions of this *loan contract* are binding on you.

Full name of person giving consent

My relationship to this student is – state relationship (e.g. parent, step parent, caregiver)

I consent to the borrower named above agreeing to this *loan contract*. I understand that by giving my consent the above named borrower may have access to a *loan* including *fees, living costs, and course related costs*. I also understand this consent cannot be withdrawn or modified.

Parent or guardian signature

--	--	--

Date signed (dd/mm/yyyy)

**Do not mark below this line. Any marks below this line may invalidate the contract.**

Signed for and on behalf of the *Crown*

**Peter Hughes, Chief Executive – Ministry of Social Development**

Name and designation

	<b>Office use only (F)</b>	Y   N   Q	Y   N   Q	Y   N   Q		
Name and date of Birth		<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Contract signed/dated	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Contract Altered	<input type="checkbox"/>
Under 18 Years		<input type="checkbox"/>				
Parental Consent Given		<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Marriage cert. provided	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Dependent child(ren) Birth cert. provided	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>



## Your Student Loan Details

Please check your *student loan details* are correct and change any details that are incorrect. In some circumstances we may send you a new contract to complete. You may change the *student loan details* at any time.

Gender

Client Number

IRD Number

Bank Account Number

Study Details: If more than one *education provider* please state:

Education Provider	Campus / Location	Programme Start Date	Programme End Date	Do you want your <i>loan</i> to pay the <i>fees</i> for this <i>education provider</i> ? YES/NO*	Student ID Number

\* I understand that when I answer "Yes", I am authorising payment to my *education provider* of any *fees* payable to enrol or register that are still owing to them (as notified by my *education provider*). The payment will be made by direct transfer from my *loan account*

Living Costs		YES/NO
I have applied for <i>living costs</i> per week of	1. I am applying for a <i>loan</i> for <i>fees</i> only.	<input type="checkbox"/>
\$ <input type="text"/>	2. I am a New Zealand citizen or meet the other <i>residency requirements</i> (see clause 18 definition)	<input type="checkbox"/>
(Enter \$0 if you are not eligible for <i>living costs</i> or if you do not want to borrow any <i>living costs</i> )	3. I have met the <i>performance requirements</i> .	<input type="checkbox"/>
If you have applied for the <i>maximum living costs</i> per week, and if you want for this amount to be adjusted from time to time in accordance with the <i>CPI process</i> , enter yes in the box below. The new amount will be published on <a href="http://www.studylink.govt.nz">www.studylink.govt.nz</a>	4. I receive, or intend to receive, a Work and Income benefit while studying (not including a <i>student allowance</i> ).	<input type="checkbox"/>
<b>YES/NO</b> <input type="checkbox"/>	5. My spouse or partner receives, or intends to receive, a Work and Income benefit while I am studying (not including a <i>student allowance</i> ) - write "no" if you do not have a spouse or partner.	<input type="checkbox"/>
	6. I receive, or intend to apply for, a Work and Income training incentive allowance while studying.	<input type="checkbox"/>
	7. I am an undischarged bankrupt (currently bankrupt).	<input type="checkbox"/>
	8. I am a No Asset Procedure Debtor.	<input type="checkbox"/>
	9. I am a Summary Instalment Order Debtor.	<input type="checkbox"/>
	10. I will be in prison while studying.	<input type="checkbox"/>

**Do not mark below this line. Any marks below this line may invalidate the contract.**

Office use only (B)	Y	N	Q	Y	N	Q	
Citizen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	If this box is checked Send evidence to StudyLink
Inland Revenue Number	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Other Fields Altered	<input type="checkbox"/>			Extra evidence received	<input type="checkbox"/>	Evidence sent to StudyLink	<input type="checkbox"/>

# Student Loan CCYY – Signing Page

Please check this page, sign it, remove it and return it to StudyLink.

## BORROWER (The Student)

Your First Names(s) – include all your first names

Your Family Name or Surname

Date of birth (dd/mm/yyyy)


Your address – address for correspondence and formal notices

I have read, understand and agree to the terms and conditions of this *loan contract*.

Your signature

Date signed (dd/mm/yyyy)

**If you are under 18 years of age:** then a parent or guardian will need to consent to you entering into this *loan contract*. This doesn't apply if you are married, in a civil union, have any dependent children, or have had a Student Allowance Independent Circumstances grant. Your parent or guardian does not have to repay any of your student loan. The terms and conditions of this *loan contract* are binding on you.

Full name of person giving consent

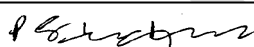
My relationship to this student is – state relationship (e.g. parent, step parent, caregiver)

I consent to the borrower named above agreeing to this *loan contract*. I understand that by giving my consent the above named borrower may have access to a *loan* including *fees, living costs, and course related costs*. I also understand this consent cannot be withdrawn or modified.

Parent or guardian signature

Date signed (dd/mm/yyyy)

**Do not mark below this line. Any marks below this line may invalidate the contract.**



Signed for and on behalf of the *Crown*

**Peter Hughes, Chief Executive – Ministry of Social Development**

Name and designation

Office use only (F)	Y	N	Q		Y	N	Q		Y	N	Q
Name and date of Birth	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Contract signed/dated	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Contract Altered	<input type="checkbox"/>		
Under 18 Years	<input type="checkbox"/>										
Parental Consent Given	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Marriage cert. provided	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Dependent child(ren) Birth cert. provided	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

# Your Student Loan Details

Please check your *student loan details* are correct and change any details that are incorrect. In some circumstances we may send you a new contract to complete. You may change the *student loan details* at any time.

**Gender**

**Client Number**

**IRD Number**

**Bank Account Number**

**Study Details:** If more than one *education provider* please state:

Education Provider	Campus / Location	Programme Start Date	Programme End Date	Do you want your <i>loan</i> to pay the <i>fees</i> for this <i>education provider</i> ? YES/NO*	Student ID Number

\* I understand that when I answer "Yes", I am authorising payment to my *education provider* of any fees payable to enrol or register that are still owing to them (as notified by my *education provider*). The payment will be made by direct transfer from my *loan account*.

Living Costs	YES/NO
I have applied for <i>living costs</i> per week of <input type="text"/> \$ (Enter \$0 if you are not eligible for <i>living costs</i> or if you do not want to borrow any <i>living costs</i> ) If you have applied for the <i>maximum living costs</i> per week, and if you want for this amount to be adjusted from time to time in accordance with the <i>CPI process</i> , enter yes in the box below. The new amount will be published on <a href="http://www.studylink.govt.nz">www.studylink.govt.nz</a> <b>YES/NO</b> <input type="text"/>	1. I am applying for a <i>loan</i> for <i>fees</i> only. <input type="text"/> 2. I am a New Zealand citizen or meet the other <i>residency requirements</i> (see clause 18 definition) <input type="text"/> 3. I have met the <i>performance requirements</i> . <input type="text"/> 4. I receive, or intend to receive, a Work and Income benefit while studying (not including a <i>student allowance</i> ). <input type="text"/> 5. My spouse or partner receives, or intends to receive, a Work and Income benefit while I am studying (not including a <i>student allowance</i> ) - write "no" if you do not have a spouse or partner <input type="text"/> 6. I receive, or intend to apply for, a Work and Income training incentive allowance while studying. <input type="text"/> 7. I am an undischarged bankrupt (currently bankrupt). <input type="text"/> 8. I am a No Asset Procedure Debtor. <input type="text"/> 9. I am a Summary Instalment Order Debtor. <input type="text"/> 10. I will be in prison while studying. <input type="text"/>

**Do not mark below this line. Any marks below this line may invalidate the contract.**

<b>Office use only (B)</b>	Y N Q		Y N Q	
Citizen	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Permanent Resident	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	If this box is checked Send evidence to StudyLink
Inland Revenue Number	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Bank Account Number	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
Other Fields Altered	<input type="checkbox"/>	Extra evidence received	<input type="checkbox"/>	Evidence sent to StudyLink <input type="checkbox"/>

## Terms and Conditions

### Introduction

---

This *loan contract* and the *loan entitlement advice* contain the terms and conditions of this contract. If there is any conflict between this contract and any legislation about student loans – such as the *Act* – that legislation will prevail.

### Key details of your loan

---

<b>Loan entitlement:</b>	Set out in your <i>loan entitlement advice</i> is how much you can borrow for: <ul style="list-style-type: none"><li>(a) <i>fees</i></li><li>(b) <i>course-related costs</i></li><li>(c) <i>living costs</i></li></ul>		
<b>Establishment fee to set up your loan:</b>	\$50 if your study begins before 1 January 2011 \$60 if your study begins on or after 1 January 2011		
<b>Administration fee:</b>	Government has announced the introduction of an annual <i>administration fee</i> . The fee applies once your loan has transferred from StudyLink to Inland Revenue. The new law for the fee is expected to be passed in 2011.  It is proposed that, from 2012: <ul style="list-style-type: none"><li>• there will be a \$40 <i>administration fee</i> for each tax year that you have an <i>Inland Revenue loan balance</i>, unless:<ul style="list-style-type: none"><li>○ you are charged an <i>establishment fee</i> for that tax year, or</li><li>○ your <i>Inland Revenue loan balance</i> on 31 March of that tax year is less than \$20</li></ul></li><li>• the <i>administration fee</i> will be added to your <i>Inland Revenue loan balance</i> on 31 March of each applicable year, beginning on 31 March 2012.</li><li>• the amount of the <i>administration fee</i> may be increased from time to time as set out in the Act.</li></ul>		
<b>Repayment threshold for NZ based borrowers:</b>	\$19,084 for the tax year ending 31 March 2012		
<b>Repayment percentage for NZ based borrowers:</b>	10%		
<b>Interest rate:</b>	6.6% per year      See clause 7		
<b>Late payment penalty:</b>	1.5% as set out in clause 7.2		
<b>Address details:</b>	<table><tr><td><b>StudyLink</b> StudyLink Centre Free Post 113907 Private Bag 11070 PALMERSTON NORTH 4442 Phone: 0800 88 99 00 www.studylink.govt.nz</td><td><b>Inland Revenue</b> Inland Revenue PO Box 2198 WELLINGTON 6140 Phone: 0800 37 77 78 www.ird.govt.nz/studentloans</td></tr></table>	<b>StudyLink</b> StudyLink Centre Free Post 113907 Private Bag 11070 PALMERSTON NORTH 4442 Phone: 0800 88 99 00 www.studylink.govt.nz	<b>Inland Revenue</b> Inland Revenue PO Box 2198 WELLINGTON 6140 Phone: 0800 37 77 78 www.ird.govt.nz/studentloans
<b>StudyLink</b> StudyLink Centre Free Post 113907 Private Bag 11070 PALMERSTON NORTH 4442 Phone: 0800 88 99 00 www.studylink.govt.nz	<b>Inland Revenue</b> Inland Revenue PO Box 2198 WELLINGTON 6140 Phone: 0800 37 77 78 www.ird.govt.nz/studentloans		

Inland Revenue has a number of phone numbers and addresses for handling queries about Student Loans. These can be found at: [www.ird.govt.nz/contact-us/a-z/student-loans](http://www.ird.govt.nz/contact-us/a-z/student-loans).

## 1 Maximum you can apply for

---

- 1.1 The maximum *loan* you may apply for is the total of:
- (a) all of the *fees*;
  - (b) *course-related costs* up to \$1,000; and
  - (c) the amount you have nominated for weekly *living costs* for your *study period*, if you are eligible.

## 2 Binding contract

---

- 2.1 A binding contract will be formed if all of the following happen:
- (a) you apply for a *loan* and provide all the information we require;
  - (b) we are satisfied that you meet our lending criteria;
  - (c) either
    - (i) paper contract: you sign page 1 and return pages 1 and 2 of this *loan contract* to us. On these pages you may make changes to your address details and your *student loan details*. You cannot change the rest of the *loan contract*; or
    - (ii) electronic contract: you click the final 'I agree' box at the end of the contract
  - (d) your *education provider* confirms to us:
    - (i) that you are enrolled to study for a *course*, and
    - (ii) the amount of your *fees*;
  - (e) we send you a letter called the *loan entitlement advice*, which tells you how much you can borrow and other details.

## 3 How to cancel your *loan*

---

- 3.1 If you want to cancel this *loan contract* you must give us *notice* in writing. You must give this *notice* within **7 working days** after the date that we posted the *loan entitlement advice* to you.
- 3.2 If you have already received *advances* under this *loan contract* and you wish to cancel it, then you must repay those *advances* (and any interest) to us within **7 working days** after the date that we posted the *loan entitlement advice* to you.

## 4 Changes that may affect your eligibility

---

- 4.1 We may stop payments to you at any time, if:
- (a) we are satisfied, at our discretion, that the *loan account* is not being used as the *student loan scheme* intended (for example, if you have not met *course requirements*), or
  - (b) you do not meet your obligations under this *loan contract*, or
  - (c) you do not meet the eligibility criteria for the *loan* - for example you:
    - (i) reach your *lifetime limit*
    - (ii) do not meet the *performance requirements*
    - (iii) do not meet the *residency requirements*
    - (iv) are an undischarged bankrupt.For more information, please see the 'Definitions' section of this contract.
- 4.2 We may stop your *living costs* payments at any time during the loan period if you:
- are studying only part-time
  - are in prison
  - receive a benefit or some other government assistance that makes you ineligible for *living costs*.
- 4.3 It is your responsibility to make sure you meet and continue to meet all of the *loan* eligibility criteria if you wish to receive payments under this *loan*.



## 5 What you can use the *loan* for

---

5.1 We will pay *advances* under your *loan contract* for your:

- (a) *fees*, directly to your *education provider*;
- (b) *course-related costs*, to your chosen bank account; and
- (c) *living costs*, to your chosen bank account each week starting in the second week of the *loan period*. The final payment will be made at the end of the *loan period*.

## 6 Receiving your *advances*

---

### 6.1 Advances

6.1.1 *Advances* to you will be available during the *loan period* only. *Advances* will be paid as set out in the *loan entitlement advice*.

### 6.2 Loan entitlement advice

6.2.1 We will send you a *loan entitlement advice*:

- (a) after we receive correctly signed page 1 and page 2 of the paper loan contract or you click the final 'I agree' box at the end of the electronic contract;  
and
- (b) after any change to your loan entitlement.

6.2.2 The *loan entitlement advice* will include the following information:

- (a) after we have received your correctly completed loan contract:
  - (i) the *loan entitlement*, that sets out the amounts available to you for *fees*, *course-related costs* and *living costs*;
  - (ii) the *start date* and the date of the final *advance*;
  - (iii) the *interest rate*;
  - (iv) the *establishment fee* and information about the *administration fee*;and
  - (v) any known changes to any of the details above and any date(s) that those changes will happen or have happened.
- (b) when there are any changes to your *loan entitlement*.
  - (i) the new *loan entitlement*, that sets out the amounts available to you for *fees*, *course-related costs*, and, if applicable, *living costs*;
  - (ii) the date the new *loan entitlement* is to take effect; and
  - (iii) any other changes to your loan details.

### 6.3 Changes to your *loan entitlement*

6.3.1 Your entitlement to this *loan* may change during the *loan period* — for example if you:

- (a) change your existing *course* or enrol in a new *course*, or
- (b) change your *education provider*, or
- (c) receive a *Student Allowance* or some other financial help from the government that reduces your entitlement to *living costs*.

6.3.2 If you enrol in a new *course* within the *loan period* and you want to keep getting a student *loan*, you must send us a new application.. This may change the amount of the *loan* that you are eligible for.

6.3.3 If your entitlement to any *loan* changes before the end of the *loan period*, the *loan entitlement* will be changed to the new amount.

6.3.4 If your *loan entitlement* is increased, *advances* will be available up to the new *loan entitlement*.

6.3.5 If your total *loan entitlement* is decreased, you:

- (a) agree to refund any *fees* to which you are no longer entitled. This will be repaid by your *education provider* to us by direct credit; and
- (b) will pay back the amount of any *living costs* or any *course-related costs* needed to reduce the *loan balance* to match your new *loan entitlement*.

## **7 Interest, penalties and administration fees**

---

### **7.1 Interest**

7.1.1 We will calculate interest on the *loan balance* each day from the date the first *advance* is paid. However, you may be eligible for an interest-free loan, as set out in clause 7.3.

7.1.2 We will add interest to the *loan account* at the end of each month.

7.1.3 Interest will compound when the *loan* is transferred to *Inland Revenue* and each year after the transfer. The effective date of this compounding is 31 March in each year after.

7.1.4 *Inland Revenue* will continue to charge and compound interest on *loans* transferred to *Inland Revenue*, subject to clause 7.3.

7.1.5 Interest is not charged on amounts that you are being charged *late payment penalties* for.

### **7.2 Late payment penalties**

7.2.1 *Late payment penalties* can be charged after the *loan* is transferred to *Inland Revenue*. If you don't make your monthly payment in full by the *due date*, you will be charged a *late payment penalty* every month until the total outstanding amount is repaid, including any *late payment penalties*. This only applies to amounts of \$334 and over.

7.2.2 You may apply to *Inland Revenue* to waive all or part of any *late payment penalty* charged by them.

### **7.3 Interest-free loan**

7.3.1 You may be eligible for an *interest-free loan* if you are in New Zealand for 183 or more consecutive days. Interest charged will still show on your statements but will be automatically written off at the end of the year. *Inland Revenue* will send you a confirmation of the write-off.

7.3.2 After you have been overseas for 184 or more consecutive days you will not be entitled to the *interest-free loan* (and interest will be charged from the first day of your absence). *Inland Revenue* may, in certain circumstances, give you an exemption if you do not meet the 183-day requirement.

### **7.4 Changing interest rates and other amounts**

7.4.1 Government may change the *interest rate*, *repayment threshold*, *repayment percentage*, and *administration fee* on 1 April each year.

7.4.2 We or *Inland Revenue* will publish or advise you of any changes to interest rates or other amounts. This may be done by *notice*, pamphlet, or radio or television advertisement.

## **8 Repaying your loan**

---

### **8.1 Student allowance and living costs**

8.1.1 If, at any time during the *loan period*:

- (a) you are entitled to a *student allowance* for the same period that you receive a *living costs*; and
- (b) the amount of *living costs* was calculated as if you were not entitled to a *student allowance*,

then you may have to repay some of the *living costs*. We will work this out for you and adjust your *student allowance* to repay this amount. The amount of *living costs* repaid will be used to reduce your *loan balance*.

## 8.2 Repayment of your *Inland Revenue loan balance*

- 8.2.1 Your repayment obligation will depend on your income, and on whether you are living in New Zealand or not. This is set out in the *Act*. In summary while:
- (a) you are living in New Zealand, or you have been granted an exemption from interest, you must make repayments from any income earned over the *repayment threshold*; or
  - (b) you are overseas for 184 or more consecutive days, your repayments will be based on your *Inland Revenue loan balance*. However, depending on your circumstances, you may be entitled to a *repayment holiday*. If you are not on a *repayment holiday*, you will need to make repayments twice a year. These will be based on the size of your *Inland Revenue loan balance* and will be due in 2 equal instalments on 30 September and 31 March. Your repayment obligation is up to \$3000 depending on your *Inland Revenue loan balance*.
- 8.2.2 If you are living in New Zealand your repayments are worked out at 10 cents for every dollar of income you earn above the *repayment threshold*. If you earn over the *repayment threshold*, you must make repayments towards your *loan*.
- 8.2.3 If you earn a salary or wage in New Zealand your employer is required to make student loan repayments from your salary and wages. You must show on your tax code declaration (IR 330) form the student loan tax code. Your employer will deduct student loan repayments from your income which they will send directly to *Inland Revenue*.
- 8.2.4 If you are self-employed or earn other income in New Zealand you may also be required to make interim payments and end-of-year repayments to meet your repayment obligations under the *Act*.
- 8.2.5 You must repay your *loan balance* and your *Inland Revenue loan balance*, in full immediately on demand if you:
- (a) become bankrupt or enter into an agreement with creditors; or
  - (b) have committed any fraud to get your *loan*; or
  - (c) do not pay any amount due under the *Act*; or
  - (d) do not comply with your obligations under clause 11; or
  - (e) have not complied with any provision of the *Act* for 2 years or more.
- 8.2.6 We or *Inland Revenue* can recover the *loan balance* or *Inland Revenue loan balance* from you using any legal remedies available.
- 8.2.7 If you have to make interim repayments towards your repayment obligation under the *Act* and your interim repayments are underestimated, you may be charged a penalty. The penalty is 10% of the amount underestimated.

## 8.3 Making repayments to us

- 8.3.1 Before we transfer the administration of your *loan* to *Inland Revenue*, you may, at any time, repay some or all of your *loan*. We will use this to reduce your *loan balance*. You may make your repayments by:
- (a) sending us a cheque made out to StudyLink, and your details, to the address in the 'Key details of your *loan*' section of this of this *loan contract*; or
  - (b) automatic payments in the manner specified by us; or
  - (c) any other method we choose at our discretion.

## 8.4 Repayments to *Inland Revenue*

- 8.4.1 After we transfer the administration of your *loan* to *Inland Revenue*, you may (at any time) make payments towards your repayment obligations or additional repayments to *Inland Revenue* by:
- (a) automatic payment. Complete an Automatic payment authority (IR 586) form and give it to your bank; or
  - (b) internet banking. Use the tax payment facility on your bank's website; or
  - (c) paying in person at Westpac. You can make repayments by cash or cheque at any branch of Westpac, using a repayment slip; or
  - (d) sending *Inland Revenue* a cheque made out to them, and your details, to the address supplied in the 'Key details of your *loan*' section of this *loan contract*; or
  - (e) credit or debit card, via *Inland Revenue's* website: [www.ird.govt.nz](http://www.ird.govt.nz)

8.4.2 A 10% bonus is available on repayments to *Inland Revenue* that exceed your repayment obligation for a tax year (1 April to 31 March). You are eligible for a bonus if:

- (a) you are up-to-date with your repayments and filing your income tax returns (if you are required to)
- (b) your loan balance with Inland Revenue is \$550 or more at the beginning of the tax year (1 April), and
- (c) your repayments above your repayment obligation for the tax year total \$500 or more.

Please note that repayments made to StudyLink will not qualify for a bonus.

As when making any financial decisions, you are advised to seek appropriate financial advice before taking advantage of the bonus.

## **9 What to expect when your *loan* is transferred to *Inland Revenue***

---

9.1 After the year in which your *loan period* finishes, we will send you a statement showing:

- (a) your *loan balance* and interest calculated up to 31 December of the year in which your *loan period* finished;
- (b) the projected interest to 28 February of the following year; and
- (c) your objection rights.

9.2 After 28 February, we will transfer the administration of the *loan* and information held by us to *Inland Revenue*, unless:

- (a) there is an outstanding objection; or
- (b) you have misrepresented your circumstances to us; or
- (c) you have made a repayment in January or February of that year, in which case the transfer will occur on or about 31 March of that year.

9.3 If you have an existing *Inland Revenue loan balance* the transferred *loan balance* will be added to it.

9.4 *Inland Revenue* may apply *administration fees*, as set out in the 'Key details of your *loan*' section of this contract.

9.5 After we have transferred the administration of the *loan* to *Inland Revenue* you may challenge some decisions including:

- (a) the amount of your repayments;
- (b) the amount of interest charged;
- (c) decisions of *Inland Revenue* declining an exemption
- (d) decisions of *Inland Revenue* made in granting or declining an *interest-free loan*;
- (e) the amount of any *late payment penalty* charged;
- (f) any decision by *Inland Revenue* not to waive a *late payment penalty*.

## **10 Loan Write off**

---

10.1 If you die, your *loan balance* and any *Inland Revenue loan balance* will be written off.

10.2 If your *Inland Revenue loan balance* at the end of any tax year is less than \$20, it will be written off.

## **11 Keeping us informed**

---

11.1 During the *loan period*, you must tell us immediately if:

- (a) you withdraw from all or part of your *course*; or
- (b) any change occurs in your circumstances that affects your entitlement to the *loan*. This includes:
  - (i) changing your address, *course* or *education provider*
  - (ii) not meeting *performance requirements*
  - (iii) not meeting attendance requirements
  - (iv) not meeting *residency requirements*
  - (v) becoming bankrupt
  - (vi) being imprisoned.

- 11.2 After we transfer the administration of your *loan* to *Inland Revenue*, you must tell *Inland Revenue* of any change to your contact details within 1 month of that change.
- 11.3 If you will be away from New Zealand for 184 or more consecutive days, before leaving (or if you are already overseas, as soon as possible), you must provide *Inland Revenue* with:
- (a) an address you can be contacted at. For example, this can be a permanent overseas address, or a New Zealand address, or the name and address of a person in New Zealand authorised to act for you;
  - (b) any information *Inland Revenue* reasonably requires to work out any overseas-based repayment obligation; and
  - (c) any information *Inland Revenue* reasonably requires to work out if you are entitled to an *interest-free loan*.

You must tell *Inland Revenue* when you have returned to New Zealand.

## **12 Notices**

---

- 12.1 We will hand deliver any *notices* under this *loan contract* to you or post them to an address you have given us, or send them to you electronically if you have agreed to this.
- 12.2 You will receive *notices* from us before your *loan* is transferred to *Inland Revenue*. After transfer, you will receive *notices* from *Inland Revenue*.
- 12.3 We will treat *notices* sent by ordinary mail as if you received them on the 4<sup>th</sup> *working day* after posting.
- 12.4 *Notices* may be included with any *loan entitlement advice*.
- 12.5 Before the administration of your *loan* is transferred to *Inland Revenue*, you may give *notices* to StudyLink by posting them to us at the address in the 'Key details of your *loan*' section of this *loan contract*.
- 12.6 After the your *loan* is transferred to *Inland Revenue*, you may give *notices* by posting them to *Inland Revenue* at the relevant address detailed at [www.ird.govt.nz/contact-us/a-z/student-loans](http://www.ird.govt.nz/contact-us/a-z/student-loans).

## **13 Privacy**

---

- 13.1 The information that you give us may be checked with any other information held by us. This is to determine whether you should have received or should continue to receive a *loan*.
- 13.2 The Privacy Act 1993 requires us to tell you that:
- (a) The information you give us will be held by the Ministry of Social Development.
  - (b) The information is collected for the purposes of providing you with financial assistance under the *Student Loan Scheme*, and for the legislation administered by the Ministry of Social Development (including StudyLink), and in particular for:
    - (i) granting and administering financial assistance and other assistance under the *Student Loan Scheme*, the *Act*, the Social Security Act 1964 and the Education Act 1989;
    - (ii) providing education related services;
    - (iii) statistical and research purposes;
    - (iv) providing advice to Government;
    - (v) providing support and services to you and your family;
    - (vi) providing employment related services; and
    - (vii) care and protection of needs of children.
  - (c) Other information that you give us on your skills, aspirations, family circumstances etc, and that is not required to assess your entitlement to financial assistance may be used to provide a better service to you by StudyLink and the wider Ministry of Social Development.

- (d) The information you give us may be compared with information held by *education providers* and other government organisations. These include *Inland Revenue*, the Ministry of Education, New Zealand Qualification Authority, the Tertiary Education Commission, Student Job Search, Ministry of Justice, the Department of Corrections, the New Zealand Customs Service, the Department of Internal Affairs, the Accident Compensation Corporation, Housing New Zealand Corporation, Statistics New Zealand, Ministry of Health, and Immigration New Zealand.

Your information may also be compared with social security information (for example, pension or benefit information) held by other governments (including Australia and the Netherlands).

- (e) The information you give us may be shared with *Inland Revenue* who may use your information for the purposes of administering your *loan*, child support, Working for Families Tax Credits, KiwiSaver and taxation; *Inland Revenue* may also disclose your information where authorised or required to do so by law, including to the Department of Labour, Statistics New Zealand, the Ministry of Justice, the Accident Compensation Corporation, and the Ministry of Education.
- (f) We may give details about the your *loan application* to any organisation or *person* nominated by you.
- (g) Under the Privacy Act 1993 you have the right to ask to see all information we hold about you, and to ask us to correct that information.
- (h) You are not required to give us information: but if you do not give us all the information we ask for, we may decline your application for a *loan*.

## 14 Assignment

---

- 14.1 We can *assign* our rights and obligations in this *loan contract* to any organisation or person. You cannot *assign* your rights or obligations under this *loan contract*.

## 15 Governing law

---

- 15.1 This *loan contract* is governed by the laws of New Zealand.
- 15.2 You and we agree that the courts of New Zealand shall have the right to hear and make a decision on all issues to do with this *loan contract*.
- 15.3 Nothing in this *loan contract* limits our right to start legal action against you in any country.
- 15.4 If we do take legal action against you, that does not prevent us taking legal action in any other country, at the same time or some other time.

## 16 Consent of parent or guardian

---

- 16.1 If you get a *loan* without your parent or guardian's consent (if required) this *loan contract* will still be binding on you.

## 17 Offences

---

- 17.1 If you use this *loan contract* to get a *loan* when you are not a student of an *education provider*, or if you use fraud or dishonesty to get a *loan*, you may have committed an offence under the Crimes Act 1961.
- 17.2 You will be committing an offence under the Act if, after your loan balance has been transferred to *Inland Revenue*, you;
- (a) wilfully or negligently fail to notify your employer that must have repayment deductions made from your salary or wages; or
  - (b) wilfully or negligently give any false information about anything affecting your repayment deductions or the amount you have to repay; or
  - (c) wilfully or negligently mislead *Inland Revenue* about your repayment deductions or the amount you have to repay; or
  - (d) wilfully or negligently make a false return; or
  - (e) refuse to give any information to *Inland Revenue* that you are required to under the Act; or
  - (f) try to stop *Inland Revenue* from doing their duty under the Act.
- 17.3 You may be liable to pay penalties or fines if you commit any offence under the Act, or if you evade or attempt to evade, your obligations under the Act.
- 17.4 Prosecution under this section does not stop other legal action being taken against you.

In this *loan contract*:

**Act** means the Student Loan Scheme Act 1992 and any later legislation about student loans.

**Administration fee** means the proposed fee for the administration of *Inland Revenue loan balances*. The *Administration fee* is set out in the 'Key details of your *loan*' section of this *loan contract*..

**advance** means any part of the *loan entitlement* that we pay to *you*, or on your behalf.

**advanced** has a corresponding meaning.

**assign** means a legal transfer to another *person*.

**benefit or Work and Income benefit** means a 'benefit' as is defined in the Social Security Act 1964.

**course** means a training course that has been approved for student loan purposes by the Tertiary Education Commission. Course includes each programme and part of that training.

**course-related costs** means costs connected to your *course* that we have approved.

**CPI process** is the process by which the *maximum living costs* may from time to time be adjusted for movements in the New Zealand Consumers Price Index as published on [www.stats.govt.nz](http://www.stats.govt.nz)

**Crown** means Her Majesty the Queen in right of New Zealand.

**due date** is the date that payment is required by *Inland Revenue* (see section 44 of the *Act*).

**education provider** means a university, polytechnic, wananga, college of education, or a registered private training establishment providing tertiary education.

**Establishment Fee** means the fee we charge to help cover the administration of your loan, as set out in the 'Key details of your *loan*' section.

**EFTS** means Equivalent Full-Time Student. EFTS is a measure of the amount of study or the workload involved with a particular course. EFTS is used to describe if the course is either full-time or part-time.

**fees** means the compulsory fees that you must pay for your *course*.

**Inland Revenue** means the Commissioner of Inland Revenue as defined in the Tax Administration Act 1994.

**Inland Revenue loan balance** means the total outstanding amount of *advances* under this *loan contract*, and advances under any other Student Loan contract(s) you have entered into, that have been transferred to *Inland Revenue*. The *Inland Revenue loan balance* also includes any outstanding interest, penalties, and *establishment* and *administration fees*.

**interest-free loan** means a loan as described in clause 7.3.

**interest rate** is the rate as set out in the 'Key details of your *loan*' section.

**IRD number** means your individual 8 or 9 digit tax code given to you by *Inland Revenue*.

**life-time limit** means the maximum amount of study for which you can receive a *loan*.

In particular, for study commencing on or after 1 January 2011, you are not eligible for a *loan* if you have already received a *loan* for courses having a combined EFTS value of 7.0 or more. However, if you are approaching 7 EFTS and enrol in a course that takes you over the limit, you may be able to receive a *loan* for that course. We only count courses commencing on or after 1 January 2010.

We may grant an extension:

- (a) of up to 3 EFTS for doctoral study (once only)
- (b) of up to 1 EFTS for the completion of other post graduate qualifications (once only).

Generally you will not be able to receive more than 10 EFTS of Student Loan entitlement including these extensions.

**late payment penalty** means a penalty for not making repayments in full and on time. The rate for late payment penalties is set out in the 'Key details of your *loan*' section of this *loan contract*.

**living costs** means a weekly amount of loan paid out for your living costs while studying.

**loan** means the total loan amount advanced by us to you under this *loan contract* and includes each *advance*.

**loan account** means the account we hold for *you* and includes the *establishment fee*, all *advances* and any repayments you make to us.

**loan balance** means the outstanding balance of your *loan account* with us at any particular time.

**loan contract** means this entire contract and including the signing/agreement section, 'Key details of your *Loan*' and all the terms and conditions of this *loan contract*.

**loan entitlement** means the total loan amount you can borrow under this *loan* contract, and is set out in the *loan entitlement advice*.

**loan entitlement advice** means the letter we send you under clause 6.2.

**loan period** means the period that we pay out your loan. This period begins at the *start date* and ends on the date we make the final *advance* to you under this *loan contract*. The loan period is before the *loan* is transferred to *Inland Revenue*.

**maximum living costs** means the highest weekly amount of loan you can ask to be advanced for your *living costs* while studying. The amount is published from time to time on [www.studylink.govt.nz](http://www.studylink.govt.nz).

**notice** means information provided either to you or to us, that informs the other of details that they should be aware of under the terms of the *loan contract* as described in clause 12.

**ordinarily resident** means you consider New Zealand your home — you normally live here, and intend to stay here permanently.

**performance requirements** means the course results you must achieve to be eligible for a *loan*.

In particular, for study beginning on or after 1 January 2011, you are not eligible for a *loan* if you have previously taken courses with a combined EFTS value of 1.6 or more, and you failed more courses than you passed - in other words, the combined EFTS value of courses you have passed is less than the combined EFTS value of courses you have failed.

This EFTS assessment takes into account courses that ended in 2009 or later, and it excludes study that happened more than 5 years before your current year of study. The assessment begins when you first use one or more parts of the *loan* (e.g. *living costs*, *course fees*, or *course-related costs*). However, once the assessment begins, it takes into account all of your courses, regardless of whether you received a *loan*.

If you fail a course because of reasons beyond your control we may decide not to count that result.

**person** means an individual, company, corporation or state agency, or government department,

**repayment holiday** means a period of up to three years, during which you do not need to make repayments. Interest is still charged on your loan balance

**repayment percentage** means the percentage of your loan that you have to repay when repayments are due. Your repayment percentage is set out in the 'Key details of your *loan*' section of this loan document. Together with the *repayment threshold* it determines how much of your student loan must be repaid if you are based in New Zealand.

**repayment threshold** means the amount you can earn up to before having to make repayments if you are based in New Zealand. The repayment threshold is set out in the 'Key details of your *loan*' section of this *loan contract*.

**residency requirements** means the requirements for New Zealand citizenship or residency that you must meet to be eligible for a *loan*.

In particular, for study beginning on or after 1 January 2011, you can be eligible for a *loan* only if you:

- (a) are a New Zealand citizen, or
- (b) are an Australian citizen and
  - have lived in New Zealand for at least two years, and
  - are *ordinarily resident* in New Zealand, or
- (c) are a permanent resident and;
  - have held permanent residency status for at least two years, and
  - have lived in New Zealand for at least two years, and
  - are *ordinarily resident* in New Zealand, or
- (d) have been granted residence under refugee policy, or
- (e) are a protected person under the Immigration Act 2009, or
- (f) are a permanent resident sponsored into New Zealand by a family member who was granted residence on the basis of their refugee status.

If you are a permanent resident or Australian citizen who studied in 2010 but you have not lived in New Zealand for two years, you will be treated as having met the *residency requirements* until the completion of your current qualification (up to a maximum of two years from 1 January 2011).



For study beginning before 1 January 2011, you can be eligible for a *loan* only if you are:

- (a) a New Zealand citizen, or
- (b) a permanent resident, or
- (c) a refugee entitled to reside indefinitely in New Zealand under the Immigration Act 1987.

**start date** means the date on which you receive your first *advance* under this contract

**student allowance** means a weekly allowance we pay you while you are studying.

**student loan details** means those details listed in the 'Key details of your *loan*' at the beginning of this contract.

**Student Loan Scheme** means the *Crown's* loan scheme for tertiary students which may be amended from time to time.

**study period** means the length of your *course* but excludes any holiday periods of 3 weeks or longer.

**we** and **us** means the Crown acting through StudyLink, a service line of the Ministry of Social Development.

**working day** means a day of the week other than:

- (a) a Saturday, a Sunday, Waitangi Day, Good Friday, Easter Monday, Anzac Day, the Sovereign's Birthday, and Labour Day; and
- (b) a day in the period beginning with 25 December in a year and ending on 2 January in the following year; and
- (c) if 1 January falls on a Friday or a Saturday, the following Monday; and
- (d) if 1 January falls on a Sunday, the following Tuesday.

**write-off** means the debt is cancelled and you do not have to pay it

**you** means the person named as the borrower on the Signing page.