

# STUDENT LOAN CONTRACT

This is your contract with the *Crown* under the *Student Loan Scheme* to receive and repay a student loan. 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 three parts.

- In Part 1 you will find your student loan details.
- In Part 2 you will find the terms and conditions of your *loan*.
- In Part 3 you will find the schedule.

The terms used in this document are explained in the definitions.

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: Taking out a loan is a big decision.  
You will have to pay it back, so only borrow what you need.

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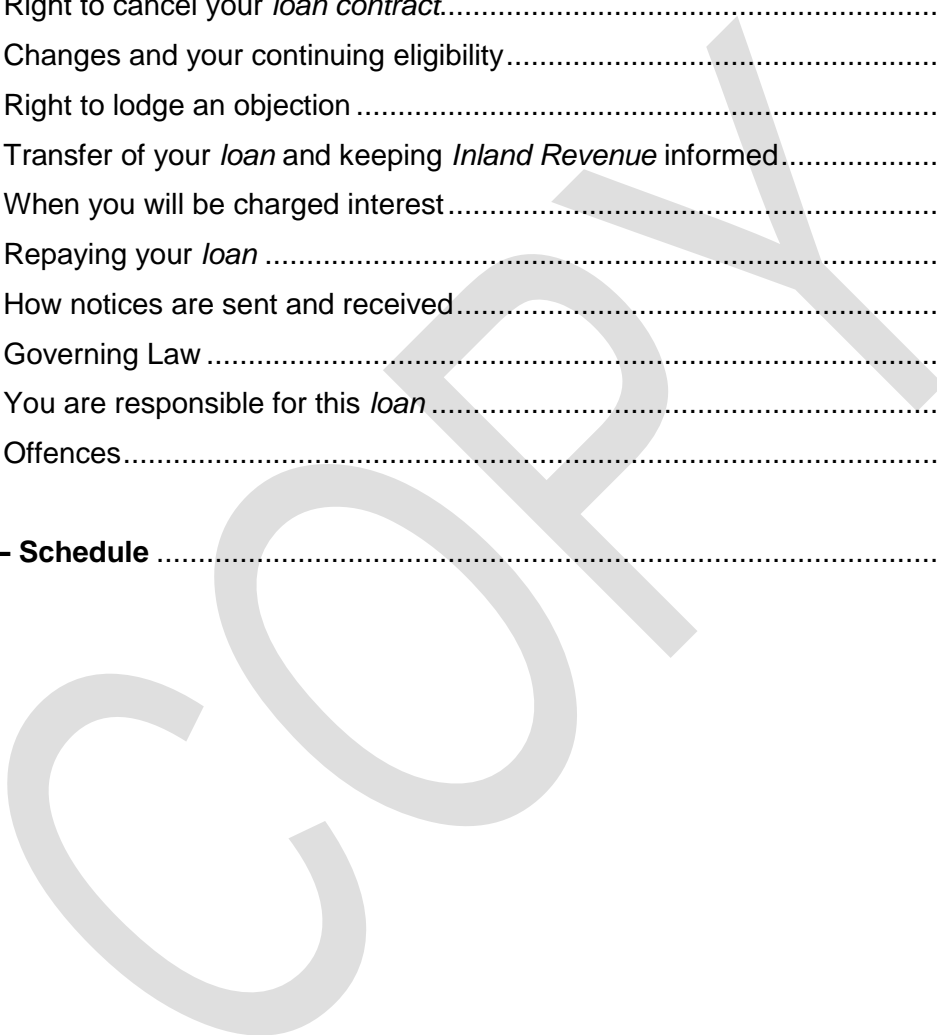
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# Student Loan CCYY – signing page

## Part 1

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

Client number XXX XXX XXX

### Borrower (the student)

First name(s)

Family name or surname

Date of birth (dd/mm/yyyy)

Address for correspondence and notices

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

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 only binding on you.

Full name of person giving consent

My relationship to the borrower 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 borrower may have access to a student *loan* including *fees*, *living costs*, and *course-related costs*. I also understand this consent cannot be withdrawn or modified.

Signature

Date signed (dd/mm/yyyy)

## Part 2 – Terms and Conditions

### Introduction

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The details in this *loan contract* may change from time to time as set out in the *Act*. If there is any conflict between this contract and the *Act* – the *Act* prevails.

### 1 Parts of your *loan*

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- 1.1 We pay:
- (a) the maximum *fees* you are entitled to 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*.
- 1.2 We charge an establishment fee as set out in the Schedule.
- 1.3 For study starting on or after 1 January 2013 a borrowing limit of a maximum of 2 EFTS applies for each *loan period*.

### 2 When your contract is binding

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- 2.1 This contract is binding if everything on the following list happens:
- (a) you apply for a *loan* and provide all the information we require
  - (b) we are satisfied that you meet our eligibility criteria
  - (c) your *education provider* confirms:
    - that you are enrolled to study for a *course*
    - the amount of your *fees* or the maximum amount of the *fees* limit set by us
  - (d) we confirm your *loan* with a letter called the *loan entitlement advice* which will detail:
    - what you borrowed e.g. the amounts for *fees*, *course-related costs* and *living costs*
    - the *loan period*
    - interest and other information about your loan

### 3 Right to cancel your *loan contract*

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- 3.1 You may cancel this *loan contract* by:
- (a) notifying us in writing of the cancellation within **7 working days** of the date on which the initial *loan entitlement advice* was issued, and
  - (b) returning what you've borrowed under this *loan contract*.

### 4 Changes and your continuing eligibility

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- 4.1 It is your responsibility to make sure you meet and continue to meet all of the eligibility criteria for your *loan*. You must also notify us immediately of any changes to your address, *course* or *education provider* or if you don't meet attendance requirements.
- 4.2 We may stop payments to you, including the *living costs*, at any time, if:
- (a) the *loan* is not being used as the *Student Loan Scheme* intended
  - (b) you do not meet your obligations under this *loan contract*
  - (c) you do not meet attendance requirements
  - (d) you no longer meet the eligibility criteria - for example you:
    - reach your *life-time limit*
    - do not meet the *performance requirements*
    - do not meet the *residency requirements*

- become an undischarged bankrupt
- are no longer studying fulltime
- serve a prison sentence
- have applied for and receive a Work and Income benefit or some other government assistance
- reach the age of 55 years from 1 January 2013
- are under 18 years and on a targeted government funded course

4.3 If any change decreases or cancels your *loan*, you:

- agree to refund any *fees* to which you are no longer entitled. If you are entitled to a refund from your *education provider* this amount will be repaid to us by direct credit.
- will pay back the amount of any *fees, living costs, course-related costs* or any administration or establishment fees that you were not entitled to. The amount of non-entitlement will be established as a debt to the Crown for repayment.

## **5 Right to lodge an objection**

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5.1 You have the right to object to *us* about any amount borrowed under this *loan contract*. You will be notified of your objection rights and the timeframe to lodge an objection when a statement is sent to you. You must lodge any objection within this timeframe.

## **6 Transfer of your *loan* and keeping *Inland Revenue* informed**

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6.1 Your *loan* is transferred to *Inland Revenue* for collection.

6.2 If you have an existing *loan* with *Inland Revenue*, the transferred *loan* is added to it.

6.3 *Inland Revenue* may apply administration fees as set out in the Schedule.

6.4 After the *loan* is transferred to *Inland Revenue* you may dispute and challenge some *Inland Revenue* decisions. See [www.ird.govt.nz/studentloans](http://www.ird.govt.nz/studentloans) for further details.

6.5 You must tell *Inland Revenue* immediately of any change to your contact details (including your alternative contact person).

## **7 When you will be charged interest**

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7.1 If you are a *New Zealand based borrower*, you have an interest free loan unless you have incurred *late payment interest*.

7.2 *Overseas based borrowers* are charged interest.

7.3 Interest is charged in accordance with the *Act*. For further details and current interest rates see [www.ird.govt.nz/studentloans](http://www.ird.govt.nz/studentloans).

## **8 Repaying your *loan***

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8.1 Your repayment obligation is determined under the *Act* and depends on your income, and whether you are a *New Zealand based borrower* or *overseas based borrower*. For more information on repaying your *loan* see [www.ird.govt.nz/studentloans](http://www.ird.govt.nz/studentloans).

8.2 You must repay your *loan* in full immediately on demand if you:

- become bankrupt or enter into an agreement with creditors
- have committed any fraud to get your *loan*
- do not pay any amount due under the *Act*
- do not comply with your obligations under clause 9
- have not complied with any provision of the *Act* for 2 years or more.

8.3 *Inland Revenue* can recover the *loan* from you using any legal remedies available.

## 9 How notices are sent and received

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- 9.1 Notices may be sent electronically, hand delivered to you or posted to an address you have given us or *Inland Revenue* and may be included with any *loan entitlement advice*.
- 9.2 Notices sent by ordinary mail by us or *Inland Revenue* are treated as if you received them on the 4<sup>th</sup> working day after posting.
- 9.3 You may give notices by sending them to us or *Inland Revenue* electronically or through the post.

## 10 Governing Law

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- 10.1 This *loan contract* is governed by the laws of New Zealand and the New Zealand courts have the right to hear and make a decision on all issues to do with this *loan contract*.
- 10.2 Nothing in this *loan contract* limits our right to start legal action against you in any country.
- 10.3 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.

## 11 You are responsible for this loan

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- 11.1 You cannot assign your rights or obligations under this *loan contract* to any other person.

## 12 Offences

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- 12.1 We or *Inland Revenue* may take action against you or prosecute you for offences under the Crimes Act 1961 or the *Act*. You may be liable to pay penalties, fines or subject to imprisonment as a result.
- 12.2 Prosecution under the *Act* does not stop other legal actions being taken against you.

## Part 3 – Schedule

<b>Establishment fee:</b>	\$60
<b>Administration fee:</b>	\$40 for each tax year that you have a <i>loan</i> , unless you are charged an establishment fee for that tax year, or your <i>loan</i> on 31 March of that tax year is less than \$20
<b>Annual repayment threshold for NZ based borrowers:</b>	\$19,084 for the tax year ending 31 March 2014
<b>Repayment percentage for NZ based borrowers:</b>	12% for the tax year ending 31 March 2014
<b>Base interest rate:</b>	5.9% per year for the tax year ending 31 March 2014
<b>Late payment interest:</b>	0.789% per month
<b>Address details:</b>	
	<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 39010 Wellington Mail Centre LOWER HUTT 5045 Phone: 0800 37 77 78 www.ird.govt.nz/studentloans

*Inland Revenue* has a range of phone numbers and addresses for handling enquiries 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).