

# 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.

# Table of Contents

## Part 1

Student Loan – signing page ..... 1

## Part 2 – Terms and Conditions ..... 2

Introduction ..... 2

1 Parts of your *loan* ..... 2

2 When your contract is binding ..... 2

3 Right to cancel your *loan contract*..... 2

4 Changes and your continuing eligibility ..... 2

5 Right to lodge an objection ..... 3

6 Transfer of your *loan* and keeping *Inland Revenue* informed..... 3

7 When you will be charged interest ..... 3

8 Repaying your *loan* ..... 3

9 How notices are sent and received..... 4

10 Governing Law ..... 4

11 You are responsible for this *loan* ..... 4

12 Offences..... 4

## Part 3 – Schedule ..... 4

# 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*

- do not meet the *overseas study 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

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<b>Establishment fee:</b>	\$60
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<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
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<b>Annual repayment threshold for NZ based borrowers:</b>	\$24,128 for the tax year ending 31 March 2025
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<b>Repayment percentage for NZ based borrowers:</b>	12% for the tax year ending 31 March 2025
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<b>Base interest rate:</b>	3.3% per year for the tax year ending 31 March 2025
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<b>Late payment interest:</b>	0.588% per month
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<b>Address details:</b>	<b>StudyLink</b> StudyLink Centre PO Box 38610 LOWER HUTT 5045 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
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*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/contactus/student-loans](http://www.ird.govt.nz/contactus/student-loans)

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## Student Loan Terms and Conditions Definitions

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In the *loan contract*:

**Act** means the *Student Loan Scheme Act 2011*.

**Annual repayment threshold** means the annual amount, as set out in the Schedule, a *New Zealand based borrower* may earn in a tax year before they have a repayment obligation. For salary or wage earners the amount you must repay is based on a pay period repayment threshold. For more information see [www.ird.govt.nz/studentloans](http://www.ird.govt.nz/studentloans).

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

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

**Crown** means The Sovereign in right of New Zealand acting by and through the Chief Executive of Ministry of Social Development (MSD).

**Education provider** means a university, Te Pukenga – the New Zealand Institute of Skills and Technology and its Crown entity subsidiaries, wananga, college of education, or a registered private training establishment providing tertiary education.

**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. From study starting on or after 1 January 2013 an annual 2 EFTS borrowing limit applies.

**Fees** means the amount you can borrow for the compulsory fees of your *course*.

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

**Late payment interest** means the amount charged for not making payments in full and on time, and is charged monthly at the rate set out in the Schedule.

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

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

**Loan** means any or all of the following: the unpaid amount, interest, penalties, administration fees and loan advance (which includes the establishment fee).

**Loan contract** means any *loan* agreement or contract entered into between *us* under the *Student Loan Scheme*.

**Loan entitlement advice** means the letter confirming your *loan*, setting out the total amount available to be borrowed under the *loan contract*, including *course-related costs*, *fees* and *living costs*. The loan entitlement advice also includes the details stated under clause 2.

**Loan period** means the term of the *loan contract* and begins at the date you receive your first payment and ends on the date we make the final payment under the *loan contract*.

**New Zealand based borrower** means a borrower who is physically in New Zealand for 183 or more consecutive days. On application, some overseas borrowers may be treated as New Zealand based borrowers as set out in the Act.

**Overseas based borrower** means a borrower who is physically overseas for 184 or more consecutive days. This is subject to exceptions as set out in the Act.

**Overseas Study Requirements** means the requirements for access to the *Student Loan Scheme* that you must meet in order to be eligible while studying overseas.

**Performance requirements** means the course results you must achieve to be eligible for your *loan*.

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

**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 Schedule.

**Residency requirements** means the requirements for New Zealand citizenship or residency that you must meet to be eligible under the *Student Loan Scheme*.

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

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

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

**Working day** has the same meaning as in the Holidays Act 2003.