

Student Loans Policy

Section 1 - Definitions

(1) For the purpose of this Policy:

- a. Standard Loan - A Standard Loan is available to assist Southern Cross University students experiencing financial difficulties that directly affect their ability to continue their study program.
- b. Emergency Loan - An Emergency Loan is available for exceptional purposes only and must be related to daily living expenses of students such as food, rent and petrol.

Section 2 - Policy Statement

Part A - Policy Declaration

(2) This policy sets out the principles for administering the interest-free Student Loans Scheme.

(3) This policy aims to ensure student's study is not disadvantaged by lack of funds needed to carry out and/or complete a course.

Part B - Policy Description

Objectives

(4) To outline Southern Cross University's specific policy in relation to the management and provision of Student Loans, including eligibility and payment policies for commencing and continuing students

Scope

(5) This policy is applicable to all Southern Cross University Staff involved in administering the Student Loans Scheme

Part C - Content and Implementation

(6) Policies regarding the administration and implementation of Student Loans at Southern Cross University will be declared in this document and will be cross-referenced with enrolment policies and student finance policies across the university as well as related policies, documents, legislation and strategic priorities listed on the Associated Information page. It will be subject to systematic review and modification according to requirements.

Section 3 - Procedures

Part D - Standard Loan Eligibility Criteria

(7) To be eligible for a student loan, students must be:

- a. formally enrolled in current session/trimester with Southern Cross University;
- b. Australian Citizen, permanent resident of Australia or full fee paying onshore International Student; and
- c. able to demonstrate capacity to repay the loan.

(8) Students are not eligible in the following circumstances:

- a. Students with outstanding loan debt greater than 30 days.
- b. Exchange students or Study Abroad students.
- c. Student on sanctions.
- d. Students who have previously or who are currently involved in bankruptcy proceedings may not be eligible for a Student Loan.
- e. Off Shore International students.
- f. A student loan cannot be used to supplement income, to pay existing commercial debt (e.g. bank loan or credit card debt) or for recreational expenses.

Part E - Emergency Loan Eligibility Criteria

(9) To be eligible for an emergency loan, students must be:

- a. formally enrolled in current session/trimester with Southern Cross University;
- b. Australian Citizen, permanent resident of Australia or full fee paying onshore International Student; and
- c. able to demonstrate capacity to repay the loan.

(10) Students are not eligible for an emergency loan in the following circumstances:

- a. Students with outstanding loan debt greater than 30 days.
- b. Exchange students or Study abroad students.
- c. Student on sanctions.
- d. Limited to two emergency loans per session/trimester.
- e. Off shore International student.

Part F - Approved Purpose for Standard Student Loans

(11) Approved purpose for Standard Student Loans are as follows:

- a. Living expenses, accommodation, car registration/repairs, household items.
- b. Rates, child care costs, moving expenses, pharmaceutical/health related.
- c. Course equipment, textbooks, practicum, field camps, excursions, job interviews.
- d. Equipment repairs, study furniture, computers, internet.
- e. Other purposes approved by the Director, Student Services or Senior Manager Student Services.

Part G - Approved Purpose for Emergency Loans

(12) Approved purpose for Emergency Loans are as follows:

- a. Unforeseen serious financial circumstances.
- b. Other exceptional circumstances approved by the Director, Student Services or Senior Manager Student Services.

Part H - Loan Categories

(13) There are six loan levels available to students comprising of:

a. Level One

- i. Purpose: Emergency Loan
- ii. Maximum \$100
- iii. Guarantor: Not required
- iv. Repayment Period: thirty (30) days or less
 - This level is available to students who are experiencing unforeseen short term financial hardship or who are in crisis.

b. Level Two

- i. Purpose: Standard Loan
- ii. Maximum \$200
- iii. Guarantor: Not required
- iv. Repayment Period: four (4) months or less
 - Level Two Loans may not be available to students who have failed to meet the requirements of the specified repayment schedule of a previous loan.

c. Level Three

- i. Purpose: Standard Loan - Internet
- ii. Maximum \$300
- iii. Guarantor: Not required
- iv. Repayment Period: five (5) months or less
 - Level Three Loans are to assist with setting up costs associated with Internet Students must provide all details, such as quotes and invoices to receive this loan.

d. Level Four

- i. Purpose: Standard Loan
- ii. Maximum \$500
- iii. Guarantor: required for first time level four borrowers
- iv. Repayment Period: eight (8) months or less
 - Available to eligible students who are first time level four borrowers with a suitable guarantor and for students where a successful history of repayment of a previous level four and above loan can be demonstrated there is no requirement for a guarantor required.

e. Level Five

- i. Purpose: Standard Loan - Practicum
- ii. Maximum \$600
- iii. Guarantor: required
- iv. Repayment Period: eight (8) months or less (commencing two months after issue)
 - Available to eligible students participating in practicum for a maximum of two weeks.
 - Course details and dates are required and repayment will not commence until two months after the loan has been issued.

f. Level Six

- i. Purpose: Standard Loan
- ii. Maximum \$1500

- iii. Guarantor: required
- iv. Repayment Period: ten (10) months or less
 - Available to eligible students where a successful history of repayment of a previous Level Four and above loan can be demonstrated.

Part I - Loan Applications

(14) Loan applications can be made only in the session in which there is a demonstrated enrolment and no earlier than the end of the previous session in which there is no enrolment.

(15) Applications must be lodged on the relevant form and submitted with all relevant documentation, including where necessary, guarantor details.

(16) All applicants for student loans are required to provide demonstrated evidence of their ability to repay the loan, for example; bank statements and income statements and/or pay slips, and their suggested repayment schedule.

(17) All applications for a student loan must be assessed by the Student Financial Assistance Officer or an appropriate delegate to: determine their eligibility, discuss capacity to pay, establish appropriate guarantors and repayment schedule.

(18) On shore International students are ineligible for a student loan in their final session of studying.

Part J - Guarantors

(19) All guarantors must be an Australian Citizen or Permanent Resident who reside in Australia.

(20) The guarantor has the financial responsibility of meeting the debt should a default occur. The guarantor will normally be a parent, guardian, family member, or someone else close to the borrower and who has known the borrower for no less than two years.

(21) No staff member in Student Services or in Finance & Business Services shall stand as guarantor.

(22) No person who has previously or are currently involved in bankruptcy proceedings will be accepted as a guarantor for a Student Loan.

(23) A Senior Manager may waive the requirement of a guarantor of up to a maximum of \$800 where a successful history of repayment can be demonstrated.

Part K - Approval

(24) Loan applications are submitted for approval to the Student Financial Assistance Officer who is authorised to approve loans up to \$800.

(25) Any Student loan over \$800 will require a Senior Manager approval.

(26) The sum applied for must not be greater than that which meets the student's current need.

Part L - Deposit of Loan Funds into Student's Bank Accounts.

(27) Level One Loans (Emergency Loans) will be issued in cash by the Student Financial Assistance Officer or delegated custodians.

(28) All Loans funds for level two, three, four, five and six will be issued to the student via a deposit into an Australian

bank account which the student has nominated.

(29) Up to two working days for processing is expected before funds can be deposited in a student's bank account.

(30) All funds will be deposited into student accounts as cleared funds (i.e. no waiting period).

Part M - Loan Repayments

(31) Level One loans (Emergency Loans) are invoiced at the time of interview and an invoice is issued with the funds to the student by the Student Financial Assistance Officer. These loans are to be paid within 30 days of the date the invoice is issued.

(32) Loan Repayments for level two, three, four, five and six loans are invoiced by the Financial and Business Services on a monthly payment basis; however students may elect to make weekly/fortnightly payments. Details of the repayments are listed within the loan schedule.

(33) Students who fail to pay off a previous loan in the agreed repayment schedule time period and have been placed on student sanctions for more than six months will only be eligible to apply for a Level Two loans (following the repayment of the outstanding monies)

(34) Once the Level Two loan has been repaid in accordance with the repayment schedule, the student can apply for a higher Level Loan.

(35) Loans are repayable in full upon formal withdrawal from an enrolled course or where effective attendance has ceased.

(36) Students who are completing their studies at the end of the Session must repay their loan in full by the end of session in order to graduate. If not, the student will be placed on student sanctions.

Part N - Renegotiation of Existing Loans

(37) In circumstances of hardship, where the student is unable to meet his or her obligations under the repayment schedule of their existing loan agreement, the University may extend the loan period or alter the repayment terms. This will only be possible if the student makes a formal application for renegotiation and only if their guarantor gives approval to change the repayment schedule.

(38) Applications to renegotiate an existing loan more than twice must be approved by the Senior Manager.

(39) In the case of a Level One Emergency Loan an extension of payment will only be granted in extreme circumstance. The Student Financial Assistance Officer may approve an extension for the repayment of a Level One Emergency Loan for a maximum of 30 days only.

(40) All applicants who apply for a renegotiation of an existing Level One Loan (Emergency Loan) and Levels Two, Three, Four, Five and Six renegotiations must be assessed by the Student Financial Assistance Officer.

Part O - Renegotiated Loans

(41) In special circumstances students may elect to negotiate to top up their existing loan. All policies and procedures for applying for a second loan are the same as for the initial loan.

(42) The Student may re-borrow up to their current level loan. For example: If they have taken out a loan for \$500 and have repaid \$300, they may take out another loan for \$200.

(43) The repayment schedule of the second loan will be discussed with the Student Financial Assistance Officer.

Part P - Overdue Loans

(44) Students who fail to meet their loan obligations will be subject to the Student Sanction rules (see Part Q.).

(45) Students who have been placed on sanctions for the first time for not meeting their loan repayment schedule may be able to renegotiate their loan.

(46) Students who have a loan that has been outstanding for more than three months will need to pay two scheduled repayments up to a maximum of \$100 before a renegotiation is approved and sanctions are lifted.

(47) Students placed on student sanctions more than once and/or made no obvious attempt to repay their loan, the Student Financial Assistance Officer may place additional conditions on a renegotiation, or may refuse the renegotiation

(48) Students placed on sanctions for not meeting their loan repayment and a renegotiation is not approved, they will remain on sanctions until the outstanding debt is repaid to the University.

(49) The student has the right to appeal to the Director, Student Services (refer to Part S - Appeals).

Part Q - Student Sanctions

(50) Student sanctions shall be imposed by the Director, Student Services following consultations with appropriate staff if a student defaults on loan repayments and does not make renegotiation arrangements with the Student Financial Assistance Officer, he or she will be subject to the following student sanctions:

- a. Withholding of approval to enrol
- b. Withholding of Notification of Assessment
- c. Non-issue of a academic transcript
- d. Loss of access to computing services
- e. Withdrawal of library borrowing privileges

(51) Refer to the Student Sanction Rules in the University Handbook

Part R - Legal Action

(52) If the student still defaults on a loan after being placed on student sanctions, recovery of the loan against the guarantor will be undertaken by due legal process.

(53) An administrative charge will be made, and legal costs may be payable.

Part S - Appeals

(54) Students who have applied unsuccessfully for a loan may have their application reviewed by the Director, Student Services.

(55) The request must be in writing and include a statement of the grounds for the appeal. The Director, Student Services ' decision is final.

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