

# Student Loans Policy

## Section 1 - Purpose and Scope

(1) This policy establishes principles for administering interest-free Standard, Post Graduate and Emergency Loans. It aims to ensure students are not disadvantaged where they lack the funds needed to carry out and/or complete a course.

### Scope

(2) This policy applies to:

- a. all students; and
- b. all Southern Cross University Staff involved in administering the Student Loans Scheme.

## Section 2 - Definitions

(3) For the purpose of this Policy:

- a. Emergency Loan:
  - i. means a loan made available to Undergraduate & Postgraduate Students in exceptional purposes for limited use towards meeting daily living expenses of students such as food, rent and petrol;
- b. Postgraduate Loan:
  - i. means a loan made available to assist currently enrolled Postgraduate Students experiencing financial difficulties that directly affect their ability to continue their study program.
- c. Postgraduate Student:
  - i. means a Southern Cross University student currently enrolled in Doctor of Philosophy, Masters by Research, Masters by Coursework, Graduate Diploma or Graduate Certificate and Doctor of Business Administration;
- d. Standard Loan:
  - i. means a loan made available to assist Undergraduate Students experiencing financial difficulties that directly affect their ability to continue their study program;
- e. Undergraduate Student:
  - i. means a Southern Cross University student currently enrolled in an undergraduate or Bachelor Honours course.

## Section 3 - Policy Statement

(4) The administration and implementation of Standard, Postgraduate and Emergency Loans at Southern Cross University will be undertaken in an equitable and transparent manner as prescribed in this document and in accordance with relevant legislation.

(5) This Policy must be read in conjunction with the

- a. [Debt Management Policy](#); and
- b. [Rules - Fees and Charges Policy](#).

## Section 4 - Procedures

### Part A - Standard & Postgraduate Loan Eligibility Criteria

(6) To be eligible for a Standard Loan or a Postgraduate loan, students must be:

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

(7) Students are not eligible for a Standard Loan or Postgraduate 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. students who have previously or who are currently involved in bankruptcy proceedings may not be eligible for a Student Loan;
- e. onshore International students in their final session of study;
- f. offshore International students; or
- g. 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 B - Emergency Loan Eligibility Criteria

(8) To be eligible for an emergency loan, students must satisfy the criteria at clause (6).

(9) 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. exceeding two emergency loans per session/trimester;
- e. offshore International student; or
- f. onshore International students in their final session of study

### Part C - Approved Purpose for Standard & Postgraduate Student Loans

(10) Student Loans may only be made for an approved purpose as follows:

- a. for living expenses, accommodation, car registration/repairs, household items;
- b. for rates, child care costs, moving expenses, pharmaceutical/health related expenses;
- c. for course equipment, textbooks, practicum, field camps, excursions, job interviews;

- d. for equipment repairs, study furniture, computers, internet;
- e. for other purposes approved by the Director of Student Administration Services (or their delegate)
- f. for travel and registration fees for Postgraduate conferences, seminars workshops.

## **Part D - Approved Purpose for Emergency Loans**

(11) Emergency Loans may only be made for an approved purpose as follows:

- a. for unforeseen serious financial circumstances; and/or
- b. for other exceptional circumstances approved by the Director, Student Administration Services (or their delegate).

## **Part E - Loan Categories**

(12) Seven loan levels may be made available to students subject to the following inherent purpose, maximum, guarantor, repayment period and eligibility conditions:

- 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 access. Students must provide all details, such as quotes and invoices to receive this loan.
- d. Level Four
  - i. Purpose: Standard & Postgraduate 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 minimum 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.
    - Postgraduate students are ineligible for Level Six loans.
- g. Level Seven
  - i. Purpose: Postgraduate student loans
  - ii. Maximum \$800
  - iii. Guarantor: Required for first time borrowers
  - iv. Repayment Period eight (8) months
    - Only available to currently enrolled Postgraduate students.

## **Part F - Loan Applications**

(13) Loan applications may only be made 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.

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

(15) 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.

(16) All applications for a student loan must be assessed by the Student Financial Assistance Officer or an appropriate delegate to:

- a. determine their eligibility;
- b. discuss capacity to pay;
- c. establish appropriate guarantors; and
- d. repayment schedule.

(17) Postgraduate loans are approved subject to available, capped funding limits.

## **Part G - Guarantors**

(18) All guarantors must:

- a. be Australian Citizens or Permanent Residents; and
- b. reside in Australia.

(19) 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 who has known the borrower for no less than two years.

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

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

(22) The Director of Student Administration Services (or their delegate) may waive the requirement of a guarantor for loans of up to a maximum of \$800 where a successful history of repayment can be demonstrated.

## **Part H - Approval**

(23) Loan applications are submitted for approval to the Student Financial Assistance Officer who is authorised to approve loans up to \$1500.

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

## **Part I - Deposit of Loan Funds into Student's Bank Accounts.**

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

(26) All Loans funds for level two, three, four, five, six and seven will be issued to the student via a deposit into an Australian bank account which the student has nominated.

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

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

## **Part J - Loan Repayments**

(29) 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 must be paid within 30 days of the date the invoice is issued.

(30) Loan Repayments for level two, three, four, five, six and seven 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.

(31) 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 loan (following the repayment of the outstanding monies).

- a. Once the Level Two loan has been repaid in accordance with the repayment schedule, the student can apply for a higher level loan.

(32) Loans are repayable in full upon formal withdrawal from an enrolled course or an absence of leave.

(33) 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 K - Renegotiation of Existing Loans**

(34) In circumstances of hardship, where a 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 a student makes a formal application for renegotiation and only if their guarantor gives approval to change the repayment schedule.

(35) Applications to renegotiate an existing loan more than twice must be approved by the Director of Student Administration Services (or their delegate).

(36) 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.

(37) 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 L - Renegotiated Loans**

(38) 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.

(39) A 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.

(40) The repayment schedule of the second loan will be determined by the Student Financial Assistance Officer after discussion with the student.

## **Part M - Overdue Loans**

(41) Students who fail to meet their loan obligations will be subject to student sanction in accordance with the Rules - Fees, Charges and Sanctions (see Part Q.).

(42) 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.

(43) Students who have an outstanding loan of 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.

(44) For students placed on student sanctions more than once and/or who have 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.

(45) Where a student is 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.

(46) A student has the right to appeal a decision made by a Student Financial Assistance Officer to the Director of Student Administration Services (refer to Part S - Appeals).

## **Part N - Student Sanctions**

(47) Student sanctions will be imposed by the Director of Student Administration 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. In such a case, 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 an academic transcript;
- d. loss of access to computing services;
- e. withdrawal of library borrowing privileges.

(48) For procedural information, refer to the Rules - Fees, Charges and Sanctions.

## **Part O - Legal Action**

(49) If a 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.

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

## **Part P - Appeals**

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

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

## Status and Details

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