

# 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 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: 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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# Part 1

## Student Loan CCYY – Signing Page

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

### BORROWER (The Student)

First Name(s)

Family Name or Surname

Date of birth (dd/mm/yyyy)

  
  

Address for correspondence and formal 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 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 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 I also understand this consent cannot be withdrawn or modified.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)

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

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 that the following 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 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*) which will be added to my loan balance

Living Costs	YES/NO
<p>I have applied for <i>living costs</i> per week of</p> <p>\$ <input type="text"/></p> <p>(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>)</p> <p>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></p> <p>YES/NO <input type="checkbox"/></p>	<p>1. I am applying for a <i>loan</i> for <i>fees</i> only. <input type="checkbox"/></p> <p>2. I am a New Zealand citizen or meet the other <i>residency requirements</i> (see clause 15 definition) <input type="checkbox"/></p> <p>3. I have met the <i>performance requirements</i>. <input type="checkbox"/></p> <p>4. I receive, or intend to receive, a Work and Income benefit while studying (not including a <i>student allowance</i>). <input type="checkbox"/></p> <p>5. My spouse or partner receives, or intends to receive, a Work and Income benefit while I am studying. <input type="checkbox"/></p> <p>6. I receive, or intend to apply for, a Work and Income training incentive allowance while studying. <input type="checkbox"/></p> <p>7. I am an undischarged bankrupt. <input type="checkbox"/></p> <p>8. I am a No Asset Procedure Debtor. <input type="checkbox"/></p> <p>9. I am a Summary Instalment Order Debtor. <input type="checkbox"/></p> <p>10. I will be in prison while studying. <input type="checkbox"/></p>

**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"/>			Permanent Resident	<input type="checkbox"/>	<input type="checkbox"/>	
				Bank Account Number	<input type="checkbox"/>	<input type="checkbox"/>	
				Extra evidence received	<input type="checkbox"/>		Evidence sent to StudyLink <input type="checkbox"/>

# Part 1

## Student Loan CCYY – Signing Page

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

### BORROWER (The Student)

First Names(s)

Family Name or Surname









Date of birth (dd/mm/yyyy)




Address for correspondence and formal notices

I have read, understand 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 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 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)

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

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 that the following 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 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*) which will be added to my loan balance.

<b>Living Costs</b>		<b>YES/NO</b>
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 15 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>	5. My spouse or partner receives, or intends to receive, a Work and Income benefit while I am studying.	<input type="checkbox"/>
<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.	<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"/>			Permanent Resident	<input type="checkbox"/>	<input type="checkbox"/>	
				Bank Account Number	<input type="checkbox"/>	<input type="checkbox"/>	
				Extra evidence received	<input type="checkbox"/>		Evidence sent to StudyLink <input type="checkbox"/>

## 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* will prevail.

### Key details

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<b>Loan:</b>	Includes the total amount which is borrowed under this <i>loan contract</i> as set out in your <i>loan entitlement advice</i> and may include:	
	(a)	<i>fees</i>
	(b)	<i>course-related costs</i>
	(c)	<i>living costs</i>
<b>Establishment fee to set up your <i>loan contract</i>:</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 2013	
<b>Repayment percentage for NZ based borrowers:</b>	10% per year	
<b>Base interest rate:</b>	6.4% per year	
<b>Late payment interest:</b>	0.843% as set out in clause 7	
<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).

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## 1 Maximum you can apply for

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- 1.1 The maximum *loan* you may apply for is the total of:
- (a) all of the *fees* or a lesser *fees* limit set by *us*; and
  - (b) *course-related costs* up to \$1,000; and
  - (c) the weekly *living costs* for your *study period*.
- 1.2 We will pay;
- (a) the *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*.

## 2 Binding contract

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- 2.1 This contract will be binding 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 eligibility criteria;
  - (c) you have completed this contract in accordance with our requirements;
  - (d) your *education provider* confirms:
    - (i) that you are enrolled to study for a *course*, and
    - (ii) the amount of your *fees* or the maximum amount of the *fees* limit set by *us*;
  - (e) *we* confirm your *loan* with a letter called the *loan entitlement advice*.

## 3 Loan Entitlement Advice

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- 3.1 The *loan entitlement advice* will include:
- (a) details of your *loan*, e.g. the amounts for *fees*, *course-related costs* and *living costs*;
  - (b) the *start date* and the date of the *loan period*;
  - (c) the *base interest* rate;
  - (d) the establishment fee and information about the administration fee;
  - (e) any known changes to any of the details above and any date(s) that those changes will happen or have happened.

### 3.2 Changes

3.2.1 If there are any changes 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*

There may be an adjustment to your loan entitlement and a new *loan entitlement advice* will be issued. In the case of 3.2.1 (a) and (b), you will need to complete a new loan application for your *loan*.

3.2.2 We will send you a new *loan entitlement advice* which will include;

- (a) details of your new *loan*
- (b) the new start and end date of the *loan period*, and
- (c) any other changes to your details

3.2.3 If, because of the changes, your *loan* 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* to match your new loan entitlement.

We will work this out for you and adjust your *student allowance* to repay this amount.



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

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4.1 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 *loan entitlement advice* was issued, and
- (b) returning the *loan* you have received to *us* within a timeframe *we* will advise you on, including any interest which has accrued within that time period.

4.2 Your establishment fee will be waived if you cancel your *loan contract* in accordance with this clause.

#### **5 Changes that may affect your eligibility**

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5.1 *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, or
- (b) you do not meet your obligations under this *loan contract*, or
- (c) you no longer meet the eligibility criteria - for example you:
  - (i) reach your *life-time limit*, or
  - (ii) do not meet the *performance requirements*, or
  - (iii) do not meet the *residency requirements*, or
  - (iv) become an undischarged bankrupt, or
  - (v) are no longer studying fulltime, or
  - (vi) serve a prison sentence, or
  - (vii) have applied for and receive a Work and Income benefit or some other government assistance

5.2 It is your responsibility to make sure you meet and continue to meet all of the eligibility criteria for your *loan*.

#### **6 Transfer of your *loan* to *Inland Revenue***

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6.1 Administration of your *loan* will be transferred to *Inland Revenue* as soon as you have received the first payment of your *loan*. *Inland Revenue* will provide notice of the transfer within six months of it being received.

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

6.3 *Inland Revenue* may apply administration fees.

6.4 After the administration of the *loan* is transferred to *Inland Revenue* you may dispute and challenge some *Inland Revenue* decisions, for example:

- (a) the amount of your repayments;
- (b) the amount of *loan interest* charged;
- (c) declining an exemption
- (d) the granting or declining an interest-free *loan*;
- (e) the amount of any *late payment interest* charged;
- (f) waiving of *late payment interest*.

#### **7 Interest**

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7.1 Interest

7.1.1 *Inland Revenue* will be responsible for charging *loan interest*, which will be calculated at the *base interest rate* on the *loan* each day from the date the first payment under the *loan* is paid according to the formula as set out in the *Act*. However, you may be eligible for an interest-free *loan*, as set out below.

7.1.2 *Loan interest* is not charged on amounts that you are being charged *late payment interest* for.

## 7.2 Late payment Interest

7.2.1 *Late payment interest* can be charged if you do not meet your repayment obligations by the *due date*, which means you may have to pay the initial and monthly penalties set out in the *Act*. This only applies to amounts in default of \$334 and over.

7.2.2 *Inland Revenue* may consider requests to grant relief for payment of *late payment interest*.

## 7.3 Interest-free loan

7.3.1 You may be eligible for an interest-free *loan* if you are a *New Zealand based borrower*. *Loan 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. You are not eligible for an interest-free *loan* if you are an *overseas based borrower*.

## 8 Repaying your loan

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- 8.1 Your repayment obligation will depend on your income, and on whether you are living in New Zealand or overseas. Full details are set out in the *Act*.
- 8.2 If you are a *New Zealand based borrower* and you earn salary or wages in New Zealand, you must use a student loan repayment code (tax code). Your repayment deductions in each pay-period will be based on *pay-period repayment thresholds*. For the majority of borrowers these deductions will be treated as the final repayment obligation.
- 8.3 If you are a full-time student and expect to earn under the *annual repayment threshold*, you can apply for a repayment deduction exemption under the *Act*.
- 8.4 If you are or will be a *New Zealand based borrower* and receive income that is not salary and wages you may be required to make interim repayments. You may also have a repayment obligation at the end of the year.
- 8.5 If you are an *overseas based borrower* and you are not on a *repayment holiday*, your repayment obligation is based on the amount of your *loan*. Your repayments will be up to \$3,000 per year and will be due in two equal instalments on 30 September and 31 March.
- 8.6 You must repay your *loan*, 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 10; or
  - (e) have not complied with any provision of the *Act* for 2 years or more.
- 8.7 *Inland Revenue* can recover the *loan* from you using any legal remedies available.
- 8.8 Repayments towards your loan
- 8.8.1 You may (at any time) make payments towards your repayment obligations or additional repayments to *Inland Revenue* by any of the methods set out in your *loan entitlement advice*.
- 8.8.2 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) your *loan* with *Inland Revenue* is \$550 or more at the beginning of the tax year (1 April), and
  - (b) your repayments above your repayment obligation for the tax year total \$500 or more.
- As when making any financial decisions, you are advised to seek appropriate financial advice before taking advantage of the bonus.
- 8.9 Loan write-off
- 8.9.1 Your *loan* will be written off and your *loan contract* and debt cancelled when you die. This means your debt is cancelled and your estate is not required to repay it. If your *loan* at the end of any tax year is less than \$20, it will also be written off.

## 9 Keeping us informed

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- 9.1 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.

## 10 Keeping Inland Revenue informed

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- 10.1 You must tell *Inland Revenue* immediately of any change to your contact details.
- 10.2 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) an email address (if you have one);
  - (c) any information *Inland Revenue* reasonably requires, for example, to work out if you are a *New Zealand based borrower* or an *overseas based borrower*.
- 10.3 When you return to New Zealand, you must tell *Inland Revenue* of your return. You must also provide any information that *Inland Revenue* reasonably requires to work out your repayment obligation. .

## 11 Notices

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- 11.1 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*.
- 11.2 Notices sent by ordinary mail by us or *Inland Revenue* will be treated as if you received them on the 4<sup>th</sup> *working day* after posting.
- 11.3 You may give notices by sending them to us or *Inland Revenue* through secure email or through the post.

## 12 Privacy

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- 12.1 All the information you provide to us in relation to this *loan contract* is subject to the Privacy Act 1993 and may be checked with any other information held by us to determine whether you should have received or should continue to receive your *loan*. All information is held by us for the following purposes;
- (a) 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.
  - (b) 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.

- (c) 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).

- (d) the information you give *us* may be shared with *Inland Revenue* who may use your information for the purposes of administering your student *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 New Zealand Customs Service, the Accident Compensation Corporation, and the Ministry of Education.
- (e) we may give details about your *loan* application to any organisation or *person* nominated by you.
- (f) 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.
- (g) 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.

### 13 Assignment

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

### 14 Offences

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- 14.1 If you provide false or misleading information to *us* in order to get a *loan*, you may have committed an offence under the Crimes Act 1961 and can be prosecuted.
- 14.2 You will be committing an offence under the *Act* if you;
- (a) fail to provide or knowingly fail to provide information to *Inland Revenue*, or another *person*, when required to do so or does so with the intent to evade an obligation; or
  - (b) knowingly provide altered, false, incomplete or misleading information to *Inland Revenue*, or another *person*, when required to do so, or does so with the intent to evade an obligation; or
  - (c) assist someone else to commit an offence; or
  - (d) pretend to be another *person*.
- 14.3 You may be liable to pay penalties or fines if you commit any offence under the *Act*. You may be liable for other general offences.
- 14.4 Prosecution under the *Act* does not stop other legal actions being taken against you.

### 15 Definitions

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In this *loan contract*:

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

**Annual repayment threshold** is the amount set out in the 'Key details' section. See also *pay period repayment threshold*.

**Base interest** is the *base interest* rate as defined in the *Act*. The current rate is as set out in the 'Key details' section. The current rate change in accordance with the *Act* on 1 April each year.

**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 to be paid by under the *Act*.

**Education provider** means a university, polytechnic, 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.

**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.

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

**Late payment interest** means a penalty for not making repayments in full and on time. The rate is set out in the 'Key details' section.

**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.

**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 confirming your *loan*, setting out the total amount which is borrowed under the *loan contract*, including *course-related costs*, *fees* and *living costs*. The *Loan entitlement advice* also includes the details stated under clause 3.

**Loan interest** means the interest charged to your *loan* as set out in clause 7.

**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*.

**Maximum living costs** means the highest weekly amount of *living costs* you may be granted as *living costs* while studying. The amount is published from time to time on [www.studylink.govt.nz](http://www.studylink.govt.nz).

**New Zealand based borrower** means a borrower who has lived in New Zealand for 183 or more consecutive days and is entitled to an interest-free *loan*. This is subject to exceptions as set out in the *Act*.

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

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

**Pay-period repayment threshold** means the *annual repayment threshold* broken down into your job's pay periods, for example, fortnightly or weekly.

**Performance requirements** means the *course* results you must achieve to be eligible for your *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 during which *overseas based borrowers* do not need to make repayments. *Base interest* is still charged on your *loan*. The *repayment holiday* period is set out in the *Act*.

**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' section.

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

In particular, for study beginning on or after 1 January 2011, you are only eligible if you:

- (a) are a New Zealand citizen, or
- (b) are an Australian citizen and
  - o have lived in New Zealand for at least two years, and
  - o are *ordinarily resident* in New Zealand, or
- (c) are a permanent resident and;
  - o have held permanent residency status for at least two years, and
  - o have lived in New Zealand for at least two years, and
  - o 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, or
- (g) for study starting from 1 January 2012, if you are a permanent resident sponsored into New Zealand by a family member who was granted residence on the basis of their protected person 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 payment 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' section 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** has the same meaning as the Holidays Act 2003.