

# Students' Loan Fund Policy

## Section 1 - Background and Purpose

(1) The University is aware of the debt problems that students can encounter by entering into a loan agreement. The purpose of the Fund is to provide financial support for students during the period they are enrolled for an award course at La Trobe University. The financial support will be related to the students' essential needs in order to continue their course of study at the University.

(2) This Policy operationalises the Students' Loan Fund originally established under the [La Trobe University Act 2009](#). Students' loans and grants are approved for study-related expenses in order to alleviate financial hardship which would affect a student's ability to continue or complete their course of study. They support the University's core value of participation.

(3) This Procedure sets out processes for day-to-day administration of the Students' Loan Fund. The Procedures attempt to strike a balance between providing support for students in need and exercising responsibly the University's duty of care.

## Section 2 - Scope

(4) Applies to:

- a. all campuses
- b. all award programs
- c. all enrolled students of La Trobe University

## Section 3 - Policy Statement

(5) Subject to the funds available, the University will provide loans, emergency aid and grants for students while they are enrolled for award courses at La Trobe University. The University adopts a broad approach, recognising the varied nature of students' situations.

(6) The total pool of funds available in any calendar year will be determined by the balances brought forward from the previous year, plus any contributions received from time to time.

## Section 4 - Procedure

(7) Applications for student loans, emergency aid or grants are to be made via the prescribed application process to the Fees, Financial Aid and Government Reporting Unit for evaluation.

### Role of the Fees, Financial Aid and Government Reporting Unit

(8) The role of the Fees, Financial Aid and Government Reporting Unit is:

- a. to support the University's strategic direction with respect to student engagement, retention and success;
- b. to administer funds and other monies made available by the Council and any other contributions for loans, emergency aid or grants to students;
- c. to set and manage budgets for loans, emergency aid or grants;
- d. to ensure that the monetary balance of the Fund is sustained;
- e. to make policy, procedures and guidelines required for good governance of the funds;
- f. to provide an annual report on the performance of the Fund to the Finance and Resources Committee.

### **Application of Criteria and Consideration of Applications That Do Not Meet Criteria**

(9) Each application for a loan, emergency aid or grant will be considered separately against criteria approved by the Executive Director, Student Services and Administration and published in the Students' Loan Fund Procedures. Any application that does not clearly meet the approved criteria and has exceptional circumstances will be reviewed by the Executive Director, Student Services and Administration or nominee.

### **Authority to Approve Applications That Meet Criteria**

(10) The authority to approve applications and to take other actions in relation to the management of loans, emergency aid and grants rests with various officers according to the published [Table of Amounts and Requirements \(Schedule A\)](#) appended to these procedures.

### **Student Eligibility**

(11) A student must:

- a. be an enrolled student of La Trobe University; and
- b. require the financial support requested in order to continue their course of study at the University; and
- c. demonstrate ability to repay any approved loan; and
- d. meet any other criteria published in the procedures.

(12) To be eligible for a grant, a student must also provide a statement of special circumstances and reasons for inability to repay a loan. The applicant's statement of the special circumstances must include supporting documentation from an independent source or authority that clearly:

- a. identifies the special circumstances;
- b. dates the occurrence of the special circumstances;
- c. states the duration of the special circumstances; and
- d. describes the level of impact of the special circumstances.

(13) Receipt or expenditure of a loan, emergency aid or grant must not be inconsistent with:

- a. any legal obligations upon the student, including any visa obligations; or
- b. any previous declarations made by the student to the University or any Commonwealth or State Government Authority regarding their ability to meet the costs of travel, tuition or living expenses.

### **Allowable Purposes**

(14) Allowable purposes for the use of funds advanced as loans, grants or emergency aid are as detailed below.

### **Loans**

(15) Funds may be used for most study-related expenses in order to alleviate financial hardship which would affect a student's ability to continue their course of study at the University. Funds may not normally be used for course or tuition fees.

## **Grants**

(16) Funds are intended to provide financial support to students facing extreme financial hardship. The situation facing the student must be unusual, uncommon or abnormal.

## **Emergency Aid**

(17) Funds are intended to provide immediate relief from unexpected one-off expenses which, if not paid, will have a deleterious effect on the student's wellbeing. Types of expenses for which emergency aid may be available in the form of a debit card and/or food vouchers include, but are not limited to:

- a. emergency food
- b. shelter
- c. emergency travel
- d. medical treatment.

## **Guarantor Requirements**

(18) Unless otherwise resolved by the Executive Director, Student Services and Administration or nominee, a guarantor will be required for loans greater than an amount published in the [Table of Amounts and Requirements \(Schedule A\)](#). The University will establish the guarantor relationship and communicate with the guarantor directly, not through the student applying for the loan.

## **Maximum Amounts Available**

(19) The University will determine the monetary ranges of loans, emergency aid or grants available, and publish them in the [Table of Amounts and Requirements \(Schedule A\)](#). All amounts are in whole dollars.

## **Administration Fees and Interest**

(20) An administration fee may apply to loans or grants from the Students' Loan Fund. It will be determined by the Executive Director, Student Services and Administration or nominee and published in the Table of Amounts and Requirements (Schedule A) of the Procedures, by 1 October prior to the year in which the fee will begin to apply.

(21) Interest may be charged on loans and will be determined by the Executive Director, Student Services and Administration or nominee and published in the [Table of Amounts and Requirements \(Schedule A\)](#) of the Procedures, prior to the year in which the rate of interest will begin to apply.

## **Repayment Periods**

(22) Indicative repayment periods for differing loan amounts are published in the [Table of Amounts and Requirements \(Schedule A\)](#).

## **Number of Loans**

(23) Normally, a student may access only one loan or grant at a time. In exceptional circumstances, with the approval of the Executive Director, Student Services and Administration or nominee, students may access both a loan and a grant.

(24) A student may access emergency aid funds more than once. The sum of the individual payments (less any

contributions from the student) must not exceed the maximum amount permitted and published in the [Table of Amounts and Requirements \(Schedule A\)](#), in a twelve-month period (i.e. from 1 January to 31 December). In exceptional circumstances where this may be exceeded, a grant should be considered.

## **Loan Application Criteria**

(25) Applications must:

- a. demonstrate essential need in order to continue their course of study at the University;
- b. demonstrate ability to repay the loan;
- c. provide the required documentation (see clauses 26 to 29 below); and
- d. meet any other criteria published in the procedures.

## **Documentation Required**

(26) For emergency aid payments, students must provide:

- a. photograph identification (e.g. student card and/or driver's licence).

(27) For loans and grants, students must provide copies of the following with their application:

- a. photograph identification (e.g. student card and/or driver's licence); and
- b. evidence of the purpose and necessity\* of the loan; and
- c. evidence of the cost of the item or service for which funding is sought; and
- d. proof of source of income/demonstration of ability to repay according to the agreed schedule (e.g. scholarship documentation, Centrelink documentation, pay slips, demonstration of future employment prospects, demonstration of employment record); and
- e. bank account details (hard copy), i.e. BSB and account number; and
- f. where relevant, details of the guarantor, i.e. name, address, telephone number, relationship to the applicant and proof of identity (e.g. driver's licence).

(28) The student is required to consent to review of their enrolment for consideration of their application.

(29) \*For example, the necessity of items directly related to course requirements such as texts, equipment or placements may be demonstrated by providing relevant Handbook information, course booklists, or academic references indicating support for the application. The necessity of travel assistance may be demonstrated by proof of an OS-HELP loan application and a denial response, or supporting documentation from the relevant faculty.

## **Notification of Outcome and Execution of Contract**

(30) The outcome of an application for emergency aid will be determined immediately.

(31) The outcome of an application for a loan or grant will be notified to the student as soon as the decision has been made, up to five business days of the date when the application, complete with all required documentation, has been submitted.

(32) A loan contract will be sent to the student. The contract must be signed and returned as specified in the accompanying letter.

(33) The student will be sent an instalment schedule for repayments along with a repayment options information sheet.

## **Payment Method from University to Students**

(34) Payments of emergency aid up to the maximum amount for the category published in the [Table of Amounts and Requirements \(Schedule A\)](#) are paid in cash and/or food vouchers. Student loans and grants will generally be made by Electronic Funds Transfer to the student's designated bank account.

## **Payment Methods from Students to University**

(35) The preferred methods of loan repayments are BPAY, cheque, money order, direct debit or credit card. Repayments may be made on a monthly basis as agreed in the repayment schedule for the loan.

(36) Grants and emergency aid payments are not required to be repaid to the University, although repayment when possible is encouraged. Where they are repaid, the same payment methods listed above (except BPAY) are acceptable.

## **Statements**

(37) Recipients of student loans will be sent a statement every month.

## **Loan Repayment Extensions and Variations**

(38) If a student falls behind in their loan repayments, they are able to submit a revised repayment schedule. This should be done within twenty business days from the payment due date and must be in writing. Extensions and variations to agreed loan repayment schedules may be approved by the Senior Coordinator, Fees, Financial Aid and Government Reporting or nominee. The loan contract will be revised accordingly.

(39) Where repayment is overdue, no new application will be approved.

## **Failure to Repay By Due Date**

(40) Where a student fails to make one or more payments by the due date, the University will follow the process as set out in [Schedule B \(Escalation in Event of Non-Payment\)](#).

## **Recovery of Outstanding Loans**

(41) Following completion of the steps outlined in the process as set out in [Schedule B \(Escalation in Event of Non-Payment\)](#) or where a student fails to observe any other condition that applies to the loan, the University may institute proceedings for recovery of any amount outstanding and any costs incurred in the recovery process.

## **Writing Off Bad Loans**

(42) Following the recovery process, bad debts are recommended for write-off by the Finance Division. Written-off debts are reported to the Senior Coordinator, Fees, Financial Aid and Government Reporting or nominee on an annual basis. All records are marked confidential and maintained in the University's electronic document and records management system.

## **Day-to-day Administrative Management**

(43) On a day-to-day basis the funds are administered through Student Administration.

(44) The Senior Coordinator, Fees, Financial Aid and Government Reporting or nominee will report all applications for loans, emergency aid and grants and the monitoring of current loans to the Executive Director, Student Services and Administration or nominee.

(45) All applications will be fully documented according to the requirements set out in these procedures before the financial assistance may be approved by the authorised officer. All records are marked confidential and maintained in the University's electronic document and records management system.

## **Reporting**

(46) The Senior Coordinator, Fees, Financial Aid and Government Reporting or nominee will prepare the budget and report, reviewed by the Executive Director, Student Services and Administration or nominee, to the Finance and Resources Committee on an annual basis.

## **Section 5 - Definitions**

(47) For the purpose of this Policy and Procedure:

- a. Designated officer: includes any member of the Fees, Financial Aid and Government Reporting team nominated by the Senior Coordinator, Fees, Financial Aid and Government Reporting.
- b. Emergency aid: a sum of money which is paid in cash and/or food vouchers to a student in accordance with the policies in case of extreme need. Repayment is voluntary.
- c. Grant: a sum of money larger than the amount available for emergency aid which is paid to a student in accordance with the policies and procedures. It is not required to be repaid.
- d. Loan: a sum of money which is to be repaid within a time period no longer than 2 months prior to course completion and which is made available to a student in accordance with the policies and procedures. An administration fee and interest may apply.

## **Section 6 - Stakeholders**

Responsibility for implementation – Senior Coordinator, Fees, Financial Aid and Government Reporting.

Responsibility for monitoring implementation and compliance – Deputy Director, Student Administration.

## Status and Details

<b>Status</b>	Current
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