

## CP010 Student Loans Procedure

### 1. Purpose

This procedure defines the policy for, and management of, student loans.

### 2. Scope

This procedure shall be followed every time an application is presented for a loan from the Student Loan Fund.

### 3. References

- CF010 Application for a Student Loan Form
- CF009 Direct Debit Request Form (available from Administration Services in printed format).

### 4. Definitions

See also KF001 WT Glossary for current definitions.

For the purposes of this procedure:

**Direct Debit Authority** is the authorisation for the Institute to deduct from a nominated bank account the agreed funds on a periodical basis. Terms and conditions are detailed on this form.

**Guarantor** is defined as a person:

- over 21 years of age
- who is an Australian citizen or holds permanent Australian Resident Status
- is not a member of staff of Wodonga TAFE or La Trobe University, and
- who is currently employed;

who undertakes to repay any loan and/or fees incurred in the event of the borrower defaulting on his/her loan.

**Loan Contract** is the document that provides terms and conditions of the loan.

**Student Loan Fund Committee** is constituted under the authority of the Council of Wodonga TAFE. The committee shall monitor and review the operation of the Student Loan Fund on behalf of the Wodonga TAFE Student Association Incorporated. The committee shall report to:

- the Council of Wodonga TAFE through the Finance and Infrastructure Committee in November of each year
- the Student Association at the end of each year.

The membership of the Committee is:

*Wodonga TAFE:*

- Learner Services Officer (Welfare)
- CEO
- Manager Learner Services
- Student Representative

- General Manager – Business Operations (Chairperson)
- Manager - Finance & Records Management
- Accounts Receivable Officer

*La Trobe University:*

- Resources Officer.

The Committee shall meet as required and a quorum shall be four (4) members.

## 5. Procedure

### 5.1 Application Forms

Item	Action/Comment	Responsibility
1.	Applicants can collect relevant forms from Learner Services	Applicant
2.	Learner Services is responsible for: <ul style="list-style-type: none"> <li>• maintaining a stock of current forms;</li> <li>• briefing the applicant on conditions applying when taking out a loan;</li> <li>• interviewing each applicant and assisting them in filling out the forms.</li> </ul>	Learner Services
3.	Applicants are required to complete Section A of the Application for a Student Loan (CF010) and a Direct Debit Authority Form (CF009). Applicants will also be required to supply bank details of a nominated bank so that the loan may be deposited into that account.	Applicant
4.	It is the applicant's responsibility to have their Guarantor complete and sign the Guarantor Form (Section D of CF010). Processing of the loan shall not proceed until the Guarantor Form is complete.	Applicant
5.	A register of Guarantors is to be kept, noting specifically those who do not meet their obligations.	Finance & Record Management Department

### 5.2 Review and Recommendation

Item	Action/Comment	Responsibility
6.	Learner Services is responsible for: <ul style="list-style-type: none"> <li>• reviewing the loan application to ensure all relevant detail has been supplied.</li> <li>• making a recommendation on the loan.</li> <li>• informing the applicant when the loan may be available. Normally this will be within five (5) working days of the loan application being submitted.</li> </ul>	Learner Services

### 5.3 Loan Recommended

Item	Action/Comment	Responsibility
7.	If the loan is recommended, Learner Services will forward the application to the Finance & Records Management Department.	Learner Services
8.	The application shall be checked to ascertain eligibility or otherwise for a loan (e.g. current outstanding debts).	Finance & Record Management Department

9.	If the applicant is <b>eligible</b> , a Loan Contract shall be prepared (Section E of CF010) and payment processed to the applicant.	Finance & Records Management Department
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#### 5.4 Loan Approved

Item	Action/Comment	Responsibility
10.	Approval of the application is signed by any two Loan Fund Committee members (one usually being the General Manager – Business Operations, the other being a member of the Loan Committee).	Finance & Records Management Department
11.	The applicant and a witness must sign the Loan Contract.	Finance & Records Management Department
12.	A copy of the Loan Contract (Section E of CF010) and Guarantor Form (Section D of CF010) shall be mailed to the respective parties.	Finance & Records Management Department
13.	All documents are to be filed in the Finance & Records Management Department.	Finance & Records Management Department

#### 5.5 Loan Not Recommended or Not Approved

Item	Action/Comment	Responsibility
14.	If at any stage in the process the loan is not recommended or approved, it shall be referred for review by at least three (3) members of the Loan Fund Committee.	Learner Services
15.	If the loan is still not recommended, the applicant shall be notified of the reasons.	Learner Services

#### 5.6 Loan Repayment

Item	Action/Comment	Responsibility
16.	A Student Loan Ledger shall be maintained.	Finance & Records Management Department
17.	When the loan has been drawn down, a statement shall be provided to the borrower showing repayment dates and amounts to be paid.	Finance & Records Management Department

18.	At the completion of loan repayments a Statement of Account indicating Nil balance shall be provided.	Finance & Records Management Department
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### 5.7 Overdue Payments

Item	Action/Comment	Responsibility
19.	For overdue payments, the recovery action should first attempt to recover any amounts in arrears from the borrower. Reminder letters shall inform the borrower that difficulties may be discussed with the Welfare Officer.	Finance & Records Management Department
20.	If recovery efforts from the borrower are unsuccessful, a written claim on the borrower's Guarantor may be made.	Finance & Records Management Department
21.	If no response from the borrower or Guarantor, the matter shall be passed to the Institute's debt collection agency.	Finance & Records Management Department
22.	The student's enrolment shall be suspended (on QLS for TAFE students and by contacting Student Records for LaTrobe students) when default has occurred.	Finance & Records Management Department

### 5.8 Renegotiation of Terms

Item	Action/Comment	Responsibility
23.	At any stage of this process the borrower may renegotiate terms of the contract by contacting either Learner Services or the Finance & Record Management Department.	Applicant

### 5.9 Completed Loans

Item	Action/Comment	Responsibility
24.	All completed documentation shall be kept on the student's file.	Finance & Records Management Department

### 5.10 Audit and Reporting

Item	Action/Comment	Responsibility
25.	In December each year, or on request, the Student Association shall be provided with: <ul style="list-style-type: none"> <li>• Outstanding debtors list</li> <li>• Copy of all bank statements</li> <li>• Financial Income and Expenditure Report.</li> </ul>	Finance & Records Management Department

26.	Auditing of the Student Loan Fund is the responsibility of the Student Association.	Student Association.
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## 6. Appendix

Appendix 1: Flow Chart – Student Loans Process.

### Appendix 1 to CP010: Student Loans - Process

