

STATUTE 8.2 - UNIVERSITY STUDENTS LOAN FUND

Interpretation

8.2.1 In this statute unless the contrary intention appears-

"**Committee**" means the Students Loan Fund and Bursaries Committee;

"**fund**" means the University Students Loan Fund established under section 36 of the Act;

"**loan**" means a loan from the Fund;

"**Students Loan Fund (MCAE)**" means the fund established under section 37 of the **Melbourne College of Advanced Education Act 1982**.

The Committee

8.2.2 (1) The Council appoints members of the Committee annually.

(2) Subject to this statute, the Committee administers the Fund and any other loan fund and bursary that is not governed by any regulation.

Applications for loans

8.2.3 A student may apply for a loan at any time-

(a) for the payment of fees in connection with any course of the University; or

(b) for the purchase of necessary books and equipment; or

(c) as an allowance towards living expenses.

Amount available for loans

8.2.4 On the recommendation of the Committee, the Council determines each year-

(a) the total amount available for loans in that year; and

(b) the maximum amount of any loan to be made to any student in that year.

Approval of loans

8.2.5 (1) The Committee may approve a loan for any of the purposes specified in section 8.2.3 if it is satisfied that-

(a) the applicant needs the loan to continue a course for which he or she is enrolled; and

(b) the applicant is likely to complete the course successfully.

(2) The Committee may determine the criteria to be applied in determining the need of any applicant for a loan.

(3) Notwithstanding the maximum amount determined by the Council under paragraph (b) of section 8.2.4, the Committee may, in exceptional circumstances, grant a loan exceeding that amount to a student who is in extreme need.

(4) If the Committee grants a loan under sub-section (3), it must report the matter to the Council as soon as practicable.

Conditions of loans

8.2.6 (1) An applicant to whom a loan is granted must execute an agreement in the form required by the Committee and must nominate an approved guarantor.

(2) A student who has been granted a loan and who fails to meet the attendance or other requirements of a course may be required to repay the loan within any time specified by the Council on the advice of the Committee.

Interest

8.2.7 (1) Interest on loans granted prior to 1 January 1988 is charged from 31 December in the year in which the student completes or abandons the course in respect of which the loan was granted and is calculated on the last day of each month on the maximum balance of the loan outstanding in that month.

(2) Interest calculated in accordance with sub-section (1) is to be set aside and regarded as part of the principal sum outstanding but is added to the balance outstanding only at the end of each calendar year or when the loan is repaid, as the case may be.

(3) Interest charges on all loans made in the period 1 January 1988 to 31 December 1988 may be varied each year as determined by the Council on the recommendation of the Committee prior to 31 December in each year.

(4) In determining interest rates under sub-section (3) the Council must set one rate for the first five years in which interest is chargeable on a loan and a higher rate which, at the

discretion of the Committee, applies to any loan which remains unpaid for more than five years after the date on which interest is chargeable.

- (5) The rate or rates of interest determined in accordance with sub-section (3) and (4) apply for the following year.
- (6) Interest on loans granted on or after 1 January 1989 is to be chargeable from the date the loan is granted until it is repaid in full at the rate determined from time to time by the Council on the recommendation of the Committee.
- (7) The Committee may, at its discretion, reduce or waive part or all of the interest payable on any loan.

Repayment of loans

- 8.2.8 (1) A person who has been granted a loan must arrange with the Committee the terms of repayment of the loan in the year in which the person completes or abandons the course in respect of which the loan was granted.
- (2) If a person fails to make arrangements for repayment of a loan as provided in sub-section (1), or if the person fails to comply with the terms arranged under sub-section (1), the Committee may give instructions in the name of the University to commence proceedings for recovery of the debt from the person or the guarantor of the debt or both.

Annual report

- 8.2.9 (1) The Committee must make an annual report to the Council on the conduct of the fund during the preceding year and must include in the report-
- (a) the number of loans granted to students during the year;
 - (b) the amounts of each loan;
 - (c) the balance due to the fund as at the date of the report;
 - (d) the interest added to the loans;
 - (e) the amount of repayments received; and
 - (f) the balance outstanding.
- (2) A summary of the annual report is to be included in the annual report of the Council to the Governor.
- (3) The Council has directed that the annual report is to be submitted to it through the Student Support Committee established by Regulation 17.1.R15.

Students Loan Fund (MCAE)

- 8.2.10 (1) The assets of the Students Loan Fund (MCAE) transferred to the University on repeal of the Melbourne College of Advanced Education Act 1982 became the property of the fund.
- (2) Any payment due to the Students Loan Fund (MCAE) in respect of a loan granted from that fund is to be paid to the fund in accordance with the terms and conditions of the loan.
- (3) Subject to sub-sections (4) and (5), students of the faculty of Education are eligible for loans from the fund in accordance with the provisions of this statute.
- (4) The terms and conditions of a loan granted from the Students Loan Fund (MCAE) before the repeal of the Melbourne College of Advanced Education Act 1982 remain in force provided that the person to whom the loan was granted complies substantially with the terms and conditions on which the loan was granted.
- (5) If a person fails to comply substantially with the terms and conditions of a loan granted from the Students Loan Fund (MCAE), the Committee must specify new terms and conditions for repayment of the loan in accordance with the provisions of this statute.

Consumer Credit Code

- 8.2.11 Where any provision in this statute is inconsistent with a provision in the Consumer Credit Code ("the code") the provision in the code prevails¹.

[s. 11 en. 2/12/96, s. 2(2) am. and s. 9(3) en. 1/5/00.]

¹In Victoria the new laws, which are effective from 1 November 1996, are contained in the-
Consumer Credit Code
Credit Code Regulations 1995 & 1996
Consumer Credit (Victoria) Act 1995 (which contains the Consumer Credit Code, as at 1995)
Consumer Credit (Victoria) Regulations