

# STUDY LOANS

## Study Loans Student Offering

APRIL 2018



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LOANS**

# INTRO & OVERVIEW

Study Loans is a new kind of finance for students seeking assistance in paying for their education. We are all about helping people to advance in their careers to reach their full potential by providing the necessary funds to pay for tuition fees during those critical periods of education. We are Australia's first dedicated private student loan company in the vocational and tertiary sectors. Whether students are looking to save money on student loans, reach that next career goal or invest in their future,

## **Study Loans works to help our customers reach their potential.**

Study Loans was born out of the frustration with the current government funded system. Having witnessed first-hand, the difficulty students faced with accessing funds and the constant changes in the rules, we felt it was about time a private business stepped in to provide an alternative. We believe education is critically important to society, but also the future prosperity of individuals, however education can be expensive. Study Loans was purposely created to provide a new way of paying for education with a transparent fee structure under a pay-as-you-go type model.

\*Study Loans provides regulated student loans. In doing so, it must comply with the National Consumer Protection Act 2009 and meet our responsible lending requirements.



# Product Offering.



## Purpose

Proceeds used to pay for tuition fees for an approved course at an approved training provider



## Interest rates

Risk based model using data on training providers and course completion rates. Target comparison interest rate will be between 12% to 18%. Interest rates will be variable in nature with the rate calculated daily and charged monthly on outstanding balance of the loan



## Loan term

12 - 48 Months



## Loan amount

\$2,001 To \$15,000



## Drawdown

The loan will be progressively drawn to pay tuition fees and paid to the training provider directly on behalf of the student



## Fees

1) Establishment fee: \$200 (one-off payment built into the loan); 2) unit drawdown fee: \$25 (per tranche – built into the loan); monthly management fee \$2.50 (Per month – not built into the loans)



## Geography

Australia wide – all states and territories



## Type

Principle and interest repayments; unsecured loans



# Product Features.



## Flexible

Should the student's personal circumstances change during the course, the remaining loan tranches may be deferred until such time as the student wishes to recommence the course



## Early repayment

No penalties apply if the loan is repaid earlier than expected arrears penalty



## Repayment holiday

A holiday can be placed on the repayments of the loan if the student is in advance of their payment schedule more than the minimum amount



## Arrears penalty

A monthly flat arrears fee of \$25 will be charged to the account. No penalty interest rate applies



## Max holiday period

3 Months



## Type of borrowers

Single borrowers only – no household applications



## Top-up

Students can elect to pay more than the minimum direct debit amount. Payments over and above must be paid using bpay



## Payment method

Students must set up a bi-weekly / monthly direct debit. The approved student will provide authority to study loans to pay the tuition fees to the training provider



# Student Eligibility Criteria.



1. Be an Australian citizen or permanent resident (457 Visa Applicants excluded)
2. Be 18 years or older
3. Have a mobile phone and email address
4. Be employed: full time, part-time or casual (casual tenure must be greater than six months)
5. Require a loan to fund a “Finance Eligible Course” (i.e. course is approved by Study Loans)
6. Require to pay the loan off between 12 and 48 months
7. Be able to demonstrate a capability to service the loan if fully drawn
8. Single borrower only – no joint applications

## In addition

For each subsequent drawdown a student must have successfully completed the previously funded study units or reached the defined milestone of progression.



# Example of how the loan works.

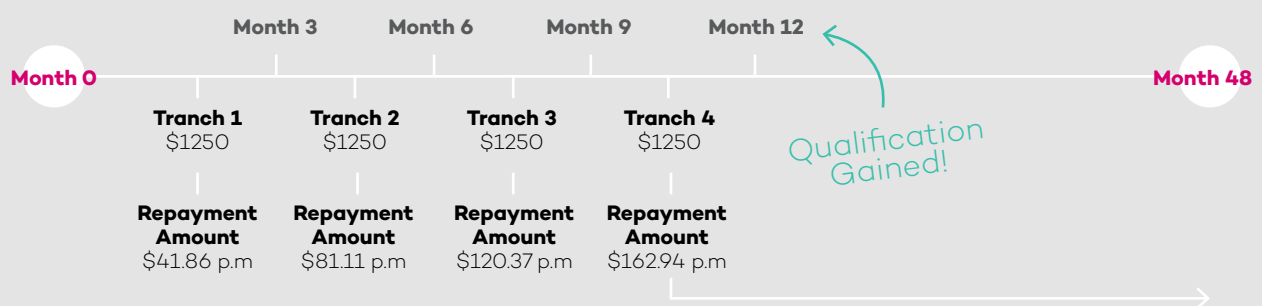
## Example

**Loan Amount** \$5,000  
**Course Length** 12 months  
**Tranches** 4

**Loan Term** 48 months  
**Interest Rate** 12.7%  
**Payment Frequency** Monthly

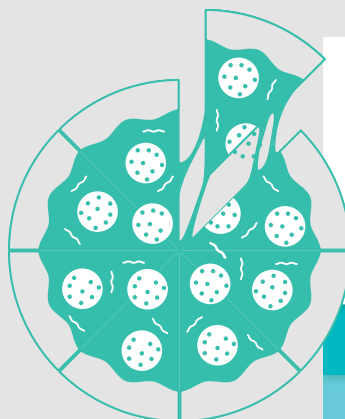
## What it looks like

Remember a tranche is defined by either a single unit or a cluster of units. As you progress through your course and move onto the next unit or cluster of units, Study Loans will release your funds for that tranche. Think of tranches as both course milestones and payment milestones.



### Note

The information set out in the above loan calculator is not intended to provide a quote or cost by Study Loans. The calculations that result from your selection of different inputs are provided solely to allow you to understand the potential effect of different inputs in a theoretical situation. Individual interest rates and repayment amounts that are displayed are an estimate based on your inputs, and you may not be eligible for certain rates or loan amounts. The number of tranches provided are indicative only. Tranches are variable and subject to change according to your chosen course, provider and other factors.



The screenshot shows a loan calculator with the following inputs: Course Cost: \$5,000; Course Length: 12 months; Loan Term: 48 months; Repayments: Monthly; Credit: Good. The output shows a table of scheduled monthly repayments and an interest rate of 12.7%.

Course Length	Scheduled Monthly Repayments
1-3 months	\$41.85
4-6 months	\$80.11
7-9 months	\$120.37
10-12 months	\$162.94

YOUR INDICATIVE INTEREST RATE HAS BEEN CALCULATED AT: 12.7%



# Let's chat.

If you would like to discuss the product further please call us or visit our website.

**1800 566 699**  
**[studyloans.com.au](http://studyloans.com.au)**