

Financial aid and long term loans

Each university has different amounts that a student can borrow for long term loans. The average amount that a student can borrow in one year is \$4000. Long term financial aid loans are for the following uses:

- Class costs
- Living costs
- Other school related costs

Assessment/Criteria for Student loans

Applicants for Financial aid are looked at by a University Student Loans fund committee. The University Fund committee looks at a student personal income and well as his or her parents income. Many universities also require the student to submit their expenditure for the upcoming school year. Academic results and school progress will also be a factor that the Student Fund Committee will add to their criteria for obtaining a student loan.

It is important for prospective students to be well organized with their financial budgeting and future outlook. Being well prepared with your financial situation can save you time, stress, and money. Not being well prepared for your school years expected cost can get you into trouble by having to ask for emergency money from family or friends, or having to take out a last second loan at a high interest rate.

Required Guarantors

Australian Universities require all students to provide a guarantor. A guarantor is somebody who takes full responsibility to repay the debt of the borrowed loan if the student is not able to repay the loan amount. A guarantor must be at least 21 years of age and must have full time employment or have enough assets to pay of the loan.

Guarantors can be:

Parents
Related Relatives
Personal Friends

Guarantor can not be:

House-mates and or your spouse
Debtors with their own long-term University student loans
Staff members of the University
Students from any other universities

Guarantors will need to provide the following information:

- Proof of the Guarantor's income
- Home ownership and/or car ownership
- Other assets

Repayment details

Students that are Permanent residents and or Citizens of Australia:

Repayments are required when the student completes or decides to withdraw from their school classes. When a loan is granted to a student, a repayment plan is set into place and includes a repayment start date and the expected monthly payments on the long term loan. A good example of a student loan repayment plan would a \$3000A loan which would have to be paid back within a 24 month period and a \$2000A loan which would have to be paid back within an 18 month period.

Non Australian Citizens or permanent residents:

For international students a guarantor from the student home country such as a mother or father will most likely be acceptable for a majority of the Australian Universities. Repayment for international students on their long term loans may start immediately and some Universities require the loan to be paid off before the student graduation date.

Early Repayment

All universities encourage local and international students to pay off their loans as early as possible.

The great thing about financial aid from Australian Universities is that Loans granted to students are interest free up to the agreed upon repayment date. Interest is charged to a student total amount of an overdue payment. You can not pay any interest if you pay the loan in full by the agreed date or by paying every loan payment on time. The University sets the the rate of interest for the loan and that can change from year to year. An average rate of interest for an Australian University loan is around 8%.

How to Apply for Financial aid

Every University has their own way to apply for financial aid. Please contact your prospective University by phone for more information or go the Universities website and locate financial aid and/or loan information sections.