

IMPORTANT

INFORMATION FOR GUARANTORS

Students borrowing more than \$500 from the University of Adelaide's Student Loans Fund (SLF) are required under the SLF Policy* to provide a **guarantee** for their loan.

What is a Guarantee? A guarantee in this case is where a person signs a formal declaration promising to repay the loan and other costs such as late repayment penalties, debt collection fees and court costs if the borrower defaults (does not repay.)

As the guarantor for a loan, you must accept and understand this obligation.

When is the guarantor called on?

- . All reasonable attempts to recover the loan from the borrower will first be made before the guarantor is involved.
- . If the borrower dies, or is declared bankrupt, or is permanently incapacitated by other extreme circumstances, then under SLF Policy* the debt will be waived, and not pursued via the guarantor.
- . Debt pursuit via a guarantor or referral to a debt collector would not normally occur while a student is still enrolled in a course at the University of Adelaide, as debt to the University allows other restrictions to be imposed (cancellation of enrolment, delay of graduation).

Are the loans made responsibly?

- . Students apply via a written application from the borrower and an interview with an experienced welfare officer. Checks are made on the student's academic and financial records within the University to ensure the viability of the application and that it complies with the SLF Policy*.
- . The borrower signs the application to state that the information provided is a correct record of their financial circumstances and their capacity to repay the loan.
- . To collect the loan cheque, the borrower must sign a formal contract acknowledging their obligation to repay and the penalties and restrictions that can be applied if they default.

What about the extra costs or variations to the loan?

- . Penalties for late payment or costs of engaging a debt collector may be applied. However, action resulting in these would not take place without first advising the guarantor.
- . No increase to the loan principal can be made without the guarantor agreeing by signing a further guarantee.
- . The SLF loans are interest-free except for a 1% of balance late payments penalty applicable under the SLF policy*.

*SLF policy may be viewed at: <http://www.adelaide.edu.au/policies/1443/>