

VET STUDENT LOAN FACT SHEET

Melbourne College of Hairdressing Beauty Therapy & Natural Medicine Pty Ltd is an approved provider for VET student loans (VSL), which can assist eligible students with their tuition fees for approved Diploma courses.

The following important information is to ensure you understand VET Student Loans (VSL) and your responsibilities in taking a VSL.

What is a VET Student Loan?

VET Student Loans (VSL) is an Australian Government loan program that is available to eligible students studying higher-level vocational education and training qualifications to pay for their tuition fees.

The VET Student Loan is a loan from the Commonwealth and:

- The loan will remain a personal debt until it's repaid to the Commonwealth
- The loan may, until the debt is repaid, reduce a student's take home (after tax) wage or salary and may reduce the student's borrowing capacity
- A student may wish to seek independent financial advice before applying for a loan.

The Federal Government applies a one-off 20% loan fee to your loan amount and results in a VSL debt to be repaid to the Government through the taxation system once you reach the compulsory income threshold, even if you are still studying.

The debt is incurred once you reach the census date for each part of your course, and the VSL debt continues to be a debt payable to the Commonwealth until it is repaid.

See below for more information about VSL and your responsibilities.

Repayment:

How is a VET Student Loan repaid? The Australian Government pays the amount of the loan direct to a student's provider for tuition fees. Students make repayments on their loans through the Australian Taxation System for each financial year they earn over the threshold. The threshold changes each year. For the 2020-21 financial year the threshold is \$46,620.

The amount you repay each year is calculated as a percentage of your repayment income. It increases and decreases with your income. The repayments range from a minimum of 1% to a maximum of 10% per annum of your taxable income. For years in which you earn under the repayment threshold there are no mandatory repayments.

For example: If your loan is \$5,000, and your taxable income is \$60,000 in one financial year, you will make a repayment equal to 2.5% of \$60,000. This means you will make a total repayment of \$1,500 leaving a loan balance of \$3,500 which will be paid in subsequent years.

Students can also elect to make voluntary repayments to pay off their loan sooner. For more information read the fact sheets from the Department of Education Skills and Employment <https://www.dese.gov.au/help-and-other-information/resources/fact-sheet-vet-student-loans-information-students>.

Who is eligible for a VET student loan?

To apply for a VET Student Loan, you must:

- Meet citizenship and residency criteria (be an Australian Citizen, qualifying New Zealand Citizen or permanent humanitarian visa holder who is usually resident in Australia).
- Meet the academic suitability requirements
- Be studying with an approved course provider
- Be studying an approved course and be undertaking the course primarily at a campus in Australia
- Apply using the approved Electronic Commonwealth Assistance Form (eCAF)
- Confirm your commitment throughout the duration of your course to continue to access the loan by submitting progress surveys
- Have a HELP balance more than zero (\$0) (i.e. have not used all your HELP loan limit)
- Be eighteen (18) years of age or older unless you have a parental consent form signed by a parent or guardian,
- Meet Tax File number requirements
- Have a Unique Student Identifier (USI) or is otherwise exempt as per the VSL Student Handbook
- Supply the required evidence and documentation to your course provider as requested during the application process.

VET Student loan academic suitability requirements:

To be eligible for a VET Student Loan, all students enrolling in an approved VSL course must meet the Academic Suitability Requirements and the required Language, Literacy and Numeracy (LLN) skills.

Students must provide evidence of one of the following documents:

- Australian Year 12 Certificate or
- Evidence of successful completion of a qualification that has been delivered in English and was at a Certificate IV or above in the Australian Qualifications Framework or a qualification which is assessed as equivalent to a Certificate IV from another framework
- A Government Approved Language, Literacy and Numeracy assessment test result, Exit level 3 or higher or
- An International Baccalaureate Diploma Programme (IB) diploma.

If the above cannot be provided, then students must complete the Government Approved Language, Literacy and Numeracy assessment prior to course commencement and successfully complete to an Exit level 3 or higher.

VET Student Loan application process:

To apply for a VET Student Loan, you will need to complete an online Electronic Commonwealth Assistance Form (eCAF) and will require your tax file number (TFN). Your eCAF form will be emailed to you after you commence your course. Before you sign and submit your eCAF form, you must read the VET Student Loan Student Information Booklet 2020 available at: <https://www.dese.gov.au/help-and-other-information/resources/fact-sheet-vet-student-loans-information-students>

You must submit your eCAF form by your census date. If you do not submit your form on or before the census date, you will not be able to access a VET Student Loan for that study period.

FAQs

1. What is an ECAF form?

An Electronic Commonwealth Assistance Form (eCAF) is an online system for students to request a VET Student Loan. You will receive an email asking you to complete the Request for a VET Student Loan Electronic Commonwealth Assistance Form (eCAF) by your census day. Once you submit your eCAF form, you will receive an email confirming your VET Student Loan approval.

2. What is Census Date?

The census date is the day you incur the financial liability (VETSL debt) for the unit/s of study you are completing for the study period. If you withdraw from units of study before the census date, you will not incur the debt for those units.

3. What is a Loan Fee Notice?

A Loan Fee Notice is a document which will outline a range of information about your course and your VET Student Loan. You will be emailed a Loan Fee Notice in the first week after you are enrolled and will include your census date for the study period. You will receive a Loan Fee Notice for each fee period of the course you are enrolled into.

4. What is a CAN Notice?

A Commonwealth Assistance Notice (CAN) is sent to you within 28 days from your census date and is sent to you for each study period of your course. Your CAN confirms the tuition fees for your course and the VSL amount you have used for that study period.

5. What is a progression survey?

While you are studying you will be required to complete Progression Surveys. These surveys are important and are emailed to you to confirm you are still enrolled and enjoying your course.

6. How can I withdraw from my course?

If you are wishing to withdraw from your course you must email us at: reception@mcohb.edu.au Please remember to take note of your census date. If you withdraw after your census date you will have incurred a VSL debt.

7. Can I defer my studies?

Sometimes, due to personal circumstances, you may need to place your course on hold. You can do this for a maximum period of 3 months. Please email us at reception@mcohb.edu.au

PAYMENT OPTIONS

- Up-front payment: up-front payments are due by the relevant census dates; or
- VET Student Loan: eligible students can access a loan to pay for all or part of the tuition fees (up to the available cap).
- Gap fees: You can make partial payments towards your gap fees at any time (using the payment methods on your VSL Fee Notice). Please contact Student Finance if you would like assistance working out a payment schedule for gap fees.