

# Understanding Student Loan Options: FAQs

## What would my repayments look like with the Government's VET Student Loan?

Annual Income	Repayment Rate	Repayment Amount
Below \$48,361	N/A	N/A
\$50,000	1%	\$500 p/a (or \$9.61 per week)
\$60,000	2.5%	\$1,500 p/a (or \$28.85 per week)
\$70,000	3.5%	\$2,450 p/a (or \$47.11 per week)
\$80,000	5%	\$4,000 p/a (or \$76.92 per week)

Based on the rates supplied on the Study Assist website:

<https://www.studyassist.gov.au/paying-back-your-loan/loan-repayment>

Frequently Asked Questions	Australian Government's VET Student Loan	Commercial Loan
Is compound interest applied to the loan?	NO	YES
Are default or late payment penalties applicable to the loan?	NO	YES
Do I have to repay the loan within an agreed period of time?	NO	YES
What is the perceived level of risk for this type of loan?	LOW	HIGH
Do I have to make repayments if I earn less than \$48,000 per year?	NO	YES
Are my repayments relative to the amount I earn, so that the less that I earn above \$48,000 per year, the less I pay?	YES	NO
Can I stop making repayments if my income drops unexpectedly below \$48,000 per annum (illness, maternity leave, forced isolation, unemployment, retirement etc.)?	YES	NO
If I miss a repayment does it affect my credit rating?	NO	YES
Will my partner or household income affect my repayment obligations?	NO	YES
Are my repayments based on the size of the loan? E.g. will I pay more for a \$15,000 loan than a \$10,000 loan ?	NO	YES

The Government's VET Student Loan has a once-off 20% loan fee. The repayment amounts are relative to your income earned. If you do not earn above the minimum income amount, you are not obligated to make repayments. This does not constitute as financial advice. Please consider independent legal or financial advice.