

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
Are my repayments based on the size of the loan? <i>e.g. whether it's a \$15,000 loan or a \$10,000 loan your repayments would be the same, as it is relative to your annual income earned only.</i>	NO
Are the payments relative to the amount I earn? <i>e.g. the more you earn above \$48,361 per year, the more you repay per year</i>	YES
Can I stop making repayments if my income drops below \$48,361 per year? <i>e.g. if you don't earn above \$48,361 per year, you don't have to make any repayments towards your loan</i>	YES
If I never earn more than the minimum threshold amount (\$48,361) will I ever need to repay the loan and admin fee?	NO
Is compound interest applied to the loan?	NO
Does the one-time admin fee (20%) replace yearly interest? <i>e.g. no interest or yearly indexing is applied to the loan</i>	YES
Do I have to repay the loan within an agreed time period?	NO
If I miss a repayment does it affect my credit rating?	NO
Are default or late payment penalties applicable to the loan?	NO
What is the perceived level of risk for this type of loan?	LOW
Will my partner or household income affect my repayment obligations?	NO

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.