

**MEDIA
RELEASE**

12 May 2009
Attention: Education and Political
reporters
For Immediate Release

Prime Minister guarantees interest free loans will stay

Student leaders are relieved at Prime Minister John Key's guarantee that interest-free student loans are here to stay.

"We welcome the Prime Minister's decisive statement clarifying that the interest-free student loan policy will remain", said Jordan King, Co-President of the New Zealand Union of Students' Associations (NZUSA).

John Key confirmed National's position on Breakfast television yesterday, stating the level of interest applied to student loans would remain at zero percent, after speculation had surfaced in recent weeks that National may reverse the 2005 policy decision to remove interest on loans and move to interest-bearing loans for higher education.

"The reintroduction of a policy of charging interest on student loans would have served a huge disincentive to study, creating a major barrier to education, and would have created a serious burden on borrowers who are already struggling in these tough economic times", said King. "Obviously the Government have recognised this and are instead committed to easing the debt burden on students and graduates", said King.

"National has clearly understood the ramifications of interest-bearing loans, and now a focus on managing the debt and addressing the causes of these loans in the first place is what is needed," said King. "The upcoming Budget is an ideal and timely opportunity to initiate such a plan and we look forward to the Government announcing positive policies in these areas", concluded King.

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