

**MEDIA
RELEASE**

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Attention: Education and Political
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National's voluntary repayment scheme no bonus for most

Student leaders are critical of National's announcement of a new student loan repayment bonus scheme, citing its strict eligibility criteria and lack of vision and scope as its downfalls.

"This policy will be welcomed by those lucky few who qualify for the scheme and can afford to make extra voluntary repayments", said Sophia Blair, Co-President of the New Zealand Union of Students' Associations (NZUSA). "However most borrowers are already making considerable compulsory loan repayments each week, and can't afford to make further contributions on top of this. When they are already doing everything they should, why are they now being ignored by the government?" added Blair.

Student loan borrowers have compulsory repayments deducted automatically from their weekly pay at the high rate of ten percent on all income earned over \$18,184.

"We question why National has created such a narrow policy that will merely reward the rich and leave everyone else to struggle", said Blair. "With such tough economic times, and loan repayment obligations already being met by most loan borrowers, why are the majority being punished and left out of this policy to reduce the debt burden?" said Blair.

"Helping to address the massive amount of student debt held in our communities is a key way the government could choose to support families through this recession," said Blair. "However the creation of such a narrow and short-sighted policy is a missed opportunity to put a real dent in what is now a significant social and economic issue for New Zealand, and this lack of commitment is particularly concerning," added Blair.

"With high fees and so few students qualifying for allowances, and National's relative silence so far on addressing these drivers of debt, student loans are set to get even bigger," said Blair. "If National was being truly genuine about reducing loan repayment times it would open this bonus scheme up to all borrowers and match repayments, and we call on the government to do so," concluded Blair.

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