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Attention: Education and
Political reporters
For Immediate Release

Student loan interest rate changes will hurt caregivers

Students are today labelling the adjustment to the student loan interest rate components as a 'cruel money grab' that will hurt caregivers with student loans who are at home looking after children or family members.

In an announcement today, the interest rate remains at 7% while the interest adjustment rate will increase from 1.5% to 2.8%. The base rate drops from 5.5% to 4.2%.

"Today's announcement proves the government is just fiddling with the figures to ensure the overall rate remains at a lucrative 7%," said Andrew Kirton, Co-president of the New Zealand University Students' Association (NZUSA).

Borrowers on incomes lower than \$16,172, including those who stay home and care for children and family members are entitled to a base interest write-off only. The interest rate changes will mean at-home caregivers will now see their loan grow by 2.8% per year, or approximately \$840 for someone with a loan of \$30,000.

"This is a mean-spirited attack by a shameless government willing to cash in on low income earners, parents and caregivers," said Kirton.

"The government needs to recognise the valuable contribution that people who take time out of the workforce to have or care for children make, and get rid of interest on student loans altogether," said Kirton.

Ends.

For further comment, contact:

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