



Office of Hon Steven Joyce

Minister for Economic Development
Minister of Science and Innovation
Minister for Tertiary Education, Skills and Employment
Associate Minister of Finance

11 AUG 2014

Alex Hedley
New Zealand Medical Students'
Association
C/- PO Box 156
Wellington 6140

Dear Alex

Thank you for your email of 7 July 2014 about the 7 EFTS lifetime limit that applies to student loans. Your request has been considered under the Official Information Act 1982.

You have requested information relating to:

"...advice the minister has received from private financial institutions regarding loans to students who have exhausted their lifetime 7 EFTS student loan limit..."

"...advice the minister received pertaining to the broad impacts and impacts on specific student groups of the lifetime 7 EFTS student loan limit policy before it was enacted."

"...advice given to other member of parliament in regards to responding to public questions about the lifetime 7 EFTS student loan limits."

The 7 EFTS lifetime limit aims to encourage students to make wise decisions about where and what to study, to perform well and to take the most direct route through their studies. This policy was implemented on 1 January 2011 for study starting on or after 1 January 2010.

There are fourteen documents that fit within the scope of your request. I am releasing eight of these; the first three documents are released in full. An official's name has been deleted from the fourth document under section 9(2)(a) of the Act, which protects the privacy of a natural person. The eight documents being released to you are listed in table 1.

I am refusing to release the remaining six documents under section 18(d) of the Act as this information is already publicly available. The table 2 lists these documents and where they can be found.

Staff from my office have corresponded with the four main commercial banks. Documents 5 – 8 relate to this part of your request.

I understand that financial institutions, such as the Medical Assurance Society, advertise credit lines that are available to students throughout the period of their degree. For example, the Medical Assurance Society offers a package where medical students can borrow up to \$27,000 throughout their study. The Society's website (www.mas.co.nz) notes that students

are not charged annual fees while studying, or for five years after graduation, interest is only charged on money drawn down, and no repayments are required until after graduation.

When considering the option to have a lifetime limit on student loan access, I was provided with advice on the broad impacts of this policy on students. Initial briefings included information at a very high level. These briefings gave total numbers affected based on previous students' usage. I have included the information from these reports, which relates to the impact on student groups of the lifetime 7 EFTS student loan limit, below:

"In 2011/12, the policy is estimated to remove student loan entitlement for about 140 students. This would increase to 270 students in 2012/13, and 410 students in 2013/14" [note this analysis was based on an EFTS count beginning in 2008]

"Based on 2007 figures and counting the number of EFTS over the previous six years, it is expected that approximately 450 students of a total of 174,000 borrowers would have lost eligibility due to the policy in 2007."

I was also provided with more detailed analysis on the impact this policy would have on students. This information is contained within documents one and two which are listed in the first table below and released in full.

Table 1 - Documents being released:

	Date	Title
1.	26/05/2010	7 EFTS lifetime limit for student loans impacts
2.	10/06/2010	Student Loan 7 EFTS life-time limit
3.	21/02/2011	Minister of Revenue meeting NZ Medical Students' Association
4.	23/08/2013	Media Enquiry – Rapid Response 805035 provided to the office of Hon Tony Ryall
5.	06/11/2013	Emails between Christopher Bishop and Westpac
6.	07/11/2013	Emails between Christopher Bishop and ANZ
7.	08/11/2013	Emails between Christopher Bishop and ASB
8.	14/11/2013	Emails between Christopher Bishop and BNZ

Table 2 - Documents being refused:

	Date	Title	Available from
9.	19/3/2010	Treasury Report: Tertiary Education - Budget 2010	http://www.treasury.govt.nz/publications/informationreleases/budget/2010/key
10.		Student support package for Budget 2010	http://www.minedu.govt.nz/theMinistry/Budget/Budget2010/TertiaryBudgetRelease.aspx
11.	3/8/2010	Written Parliamentary Question 24112 (2010)	http://www.parliament.nz/en-nz/pb/business/qwa
12.	3/8/2010	Written Parliamentary Question 24113 (2010)	http://www.parliament.nz/en-nz/pb/business/qwa
13.	3/8/2010	Written Parliamentary Question 24114 (2010)	http://www.parliament.nz/en-nz/pb/business/qwa
14.	3/8/2010	Written Parliamentary Question 24115 (2010)	http://www.parliament.nz/en-nz/pb/business/qwa

There do not appear to be any overriding public interest reasons that support the release of the information which has been withheld. Under sections 19 and 28(3) of the Act, you have the right to ask an Ombudsman to review any decision to refuse or withhold information under the Act.

Yours sincerely



Steven Joyce

Minister for Tertiary Education, Skills and Employment

7 EFTS lifetime limit for student loans impacts

Financial Year	Year from start of EFTS count from Jan 2010	Approximate # of borrowers who no longer borrow	Estimated operating balance savings \$(m)
2010/11	1		
2011/12	2		
2012/13	3		
2013/14	4	50	0.2
2014/15	5	250	1.0
2019/20	10	375	1.5
2021/22	12	465	1.9
2024/25	15+	500	1.9

Notes:

1. These estimates have been made from borrowing data 1994 to 2008.
2. The second column shows the proportion impacted in the year indicated compared with the long term situation.
3. Projections for approximate numbers of borrowers are calculated on forecast 2013/14 baselines.
4. Projections for approximate savings are calculated from current forecasts of 2013/14 borrower baselines (administration costs are not included).
5. Postgraduates are entitled to additional EFTS over and above the 7 EFTS limit.

The 7 EFTS policy takes around 15 years before *full* implementation is achieved. At this time, nearly 100% of borrowers who are forecast to reach 7 EFTS in their lifetime, and had their EFTS count start in Jan 2010, will have been impacted by the policy. There are two main reasons for this delay in reaching full implementation.

Firstly, because the EFTS count starts at the beginning of 2010, a number of students who have already consumed a large number of EFTS before this date will not have those EFTS counted. Therefore, all students will effectively start with an EFTS count of zero at this date. Over time, an increasing numbers of students will reach 7 EFTS.

Secondly, a large number of students take breaks in their study or have periods of part-time study, and therefore it may take a number of years to reach 7 EFTS.

Of those who were borrowing in 2010:

- 5 years after initial policy implementation, 52% of those who are forecast to reach 7 EFTS will have done so and no longer be able to borrow.
- After 15 years, over 95% of those who will consume 7 EFTS in their lifetime will be excluded by the policy.
- The policy will only reach 100% when all those people who studied in 2010 have died.

2

2

Aide Memoire: Student Loan 7 EFTS life-time limit

Date:	10 June 2010	Priority:	High
Security Level:	In confidence	METIS No:	463267

Addressee	Action Sought	Deadline
Minister for Tertiary Education	Note	10 June 2010

Purpose of this note

1. This note sets out the policy rationale and parameters of the student loan 7 EFTS life-time limit.

Policy rationale

2. The policy is designed to encourage students to make wise study choices about where and what they study.
3. It is intended that a rationing system will encourage students:
 - to take the most direct path towards their qualification(s) which will help keep the costs of study down for themselves and for Government
 - to progress to higher levels of study, rather than encourage churn at lower levels, which will be of economic advantage to both students and Government.

Policy design

- A person will have a life-time borrowing limit of 7 EFTS worth of study (no limit has been imposed on the amount of study that is able to be subsidised through tuition subsidies).
- If a student is approaching the end of their 7 EFTS entitlement, and one more course will take them over their entitlement, they will be able to use the loan scheme to complete the course.
- There will be additional entitlements for:
 - doctoral study (up to 3 EFTS¹)
 - completing other post-graduate study (1 EFTS) (note: this means completing postgraduate study *other* than doctoral study).

A borrower may receive extra entitlement under these exceptions only once.

The maximum number of additional borrowing entitlement for post-graduate study (including doctoral study) is 3 EFTS units. Students will therefore only be eligible for a possible maximum of 10 EFTS. For example, if a student uses 1 extra EFTS to complete postgraduate study (e.g. their Masters) they will only have 2 EFTS left for doctoral study.

¹ It is unlikely that many PhD students would go beyond their 10 EFTS entitlement (7+3 EFTS). In 2008, only one PhD borrower was identified to be in this position.

What the 7 EFTS covers

4. The 7 EFTS limit is a life-time entitlement – not strictly an undergraduate entitlement. If this were the case, the entitlement for post-graduate study would be insufficient and could encourage people to spend more time undertaking lower level study.²
5. A life-time entitlement means that the amount of loan entitlement (7 EFTS) is set to cover a standard route to higher-level study, for example, a bachelors degree (3 EFTS), honours (1 EFTS) and Masters (1 EFTS) and possibly some PHD study before the 7 EFTS limit is reached.
6. The 7 EFTS limit is a generous entitlement. It is flexible enough to.
 - account for some students repeating a year (and still be able to undertake some postgraduate study under the entitlement)
 - cover double degrees in the majority of cases (noting that some cross-crediting is likely to occur)
 - allow people to have a second chance at learning or to upskill later on
 - cover the longest undergraduate courses, such as architecture and medicine (via the most direct route).
7. The policy also provides some extra entitlement to cover instances where the 7 EFTS is not quite enough for a student to finish postgraduate study. This is designed to support students to higher levels of study (whilst still encouraging wise study choices).
8. A generous entitlement also avoids the need to introduce an exceptions regime (such as the long programmes exceptions to the 200 week entitlement for student allowances) or a case management approach that looks at individual study permutations. These more intensive designs would add significant administrative complexity and cost to the policy.

Other design features

9. Other design features are as follows:
 - If a student has not borrowed in a particular year, then their study would not count against their 7 EFTS entitlement. The EFTS count for a particular period of study relates to the full study load for the period in which a loan is drawn down (this is irrespective of the amount or proportion of the loan that has been drawn down over this time).³
 - The count would begin for study commencing on or after 1 January 2010. Students who withdraw from study and receive a full refund will not have that

² Having specific limits for both undergraduate and postgraduate borrowing would require the entitlements to be reconsidered and an exceptions framework would need to be implemented to account for particularly long undergraduate courses.

³ One reason for operating the EFTS count in this way is that it would be difficult to link student loan entitlement (as an EFTS count) to living costs and course-related cost draw-downs because they are not linked to the specific courses undertaken.

study counted (unless they have drawn down another loan for study in the same period.⁴

- The changes will apply from 1 January 2011. However, the EFTS count, as noted above, will commence earlier.

Impact Analysis

10. The Ministry has forecast that the life-time limit policy would result in about 500 students not being eligible for student loans when the policy is fully implemented in 13 years time⁵.
11. It has not been possible to specifically identify the characteristics of the borrowers forecast to be affected by this policy. However, we have been able to identify the characteristics of students enrolled between 1997 and 2009 who have used more than 7 EFTS of study.
12. It should be noted that this data:
 - is based on students and not specifically student loan borrowers (therefore the actual numbers impacted will be lower)
 - does not take into account the impact of other student support policies (such as the performance element)
 - takes no account of the changes in study choices that we hope that the life-time entitlement will generate.
13. Our data shows that of the 2,028,000 students enrolled between 1997 and 2009:
 - 0.2% (4,200) students have consumed 7 EFTS (or more)
 - 0.4% of Māori students consumed 7 EFTS (or more) compared to 0.2% overall. However, Māori students are less likely to borrow than other ethnicities
 - 0.4% of students between 20 and 29 years consumed 7 EFTS compared to 0.2% overall
 - 0.4% of students who studied in wānanga consumed 7 EFTS compared to 0.2% overall. Note, however, that students at wānanga have a much lower uptake of student loans than students at other providers due to low or zero fees
 - students studying at bachelors level (0.36%), masters level (0.50%) and doctoral level (0.85%) are more likely to exceed the 7 EFTS limit than students studying at lower levels (0.1%)
 - of those students who consumed 7 EFTS or more, about 7% students were studying law or medicine.

⁴ This will encourage more people to withdraw officially from courses. This is of benefit to the Government as the study would not then be subject to EFTS funding.

⁵ After 13 years, it is forecast that almost all those students who borrowed in 2010 and are predicted to study for 7 EFTS or more will be impacted by this policy.

Dr Andrea Schöllmann
Group Manager
Tertiary Education Group

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3

3



MINISTRY OF EDUCATION

Te Tāhuhu o te Mātauranga

Aide Memoire: Minister of Revenue meeting NZ Medical Students' Association

Date:	21 February 2011	Priority:	High
Security Level:	In Confidence	METIS No:	547164
File Number			

You are meeting with the New Zealand Medical Students' Association this afternoon. This aide memoire supplements the briefing note provided by Inland Revenue for the meeting.

Student loan lifetime limits: the 7 EFTS limit

- The NZMSA has expressed concern about the impact of the 7 EFTS limit on students beginning medical study who have already started or completed a degree.
- This policy sets a life-time student loan limit of 7 EFTS, for study commencing on or after 1 January 2010. The purpose is to signal that Government's support for tertiary education has limits, so students need to make deliberate and considered study decisions.
- The limit covers the longest undergraduate courses, such as medicine, via the most direct route. Students who change into a long course need to plan how they will fund their final years, after they reach the 7 EFTS limit. If a student is approaching the end of their 7 EFTS entitlement, and one more course will take them over their entitlement, they will be able to complete the course. There are extensions for doctoral study (up to 3 EFTS) and other post-graduate study (1 EFTS).
- The Government has asked officials to monitor the impact of this and the student loan changes that were announced in Budget 2010. Monitoring for the 7 EFTS limit will take place over several years, up to 50 people are expected to be affected per year before 2013/14, building to around 250 people from 2014/15 and later years.
- If some programmes or student groups are disproportionately affected by the changes, Government has said it will consider adjusting the Scheme.

Student loan living costs and debt levels

- The NZMSA has provided evidence that medical students' living costs often exceed student loan living cost payments; due to rent costs, the increasing cost of living, and the long and high-intensity nature of medical study.
- The New Zealand student support system is based on the principle that students and their families should make a contribution to their studies.
- The living costs component of the Student Loan Scheme is intended as a contribution to the costs of study. It is not designed to match or cover all of a student's costs. Students and their families are expected to contribute through part-time or holiday work or cash or in-kind contributions.
- It is correct that Student Allowances can provide a higher level of income than student loans. Allowances are for those whose families cannot afford to support them financially, ensuring that people from low-income backgrounds can overcome financial barriers to tertiary education at the outset.

- Medical students' loans can be high on graduation. Medical students' high income after graduation, with their access to initiatives like voluntary bonding, means that medical students are relatively quick to repay their loans.

Released Under the Official Information Act

4

4

RAPID RESPONSE

METIS number: 805035

Drafter: Withheld under section 9(2)(a) OIA

Manager: John MacCormick

23/08/2013

TEP

Description of policy:

- The 7 EFTS limit to student loan entitlements is a life-time borrowing limit, roughly equivalent to 7 years full time study. It applies to study starting on or after 1 January 2010.
- This limit covers the longest undergraduate courses, such as medicine, via the most direct route.
- The Government also provides an extra entitlement for postgraduate study: an additional 1 EFTS entitlement for students completing post graduate study and an extra 3 EFTS for doctoral study (to a maximum of 10 EFTS in total).
- Medical students who take the most direct route through their study will have sufficient entitlement to undertake postgraduate study. If a medical undergraduate has used up his or her 7 EFTS entitlement they will have to fund the remainder of their study themselves.

Rationale for policy:

- The main reason the 7 EFTS limit was introduced is to encourage students to perform well and take the shortest route possible through their studies. They will then require less Government assistance overall, and enter the workforce sooner.
- The 7 EFTS life-time limit also ensures that every student has a similar entitlement to this costly Government assistance. There is no exception or additional entitlement for students who return to study medicine after completing other degrees.
- For medical students, this is already in addition to high Government tuition subsidies (over \$35,000 per EFTS) and the Medical Trainee Intern Grant (\$26,756 per EFTS) available in the sixth year of study. There are also several funding schemes available to medical graduates such as the Voluntary Bonding Scheme which pays up to \$50,000 towards the student loans of junior doctors who work in hard-to-staff communities or specialties, and the

Advanced Trainee Fellowship Scheme that funds training overseas in a specialty area of shortage in New Zealand.

Expected impact of policy (including medical students):

- Very few borrowers are expected to exceed 7 EFTS of study (about 50 people in 2013/14 and up to 250 people in subsequent years).
- A very small percentage of medical students have used over 7 EFTS. (ie 2009 Ministry of Education data showed 45 borrowers studying in the medicine sub-field had consumed more than 7 EFTS throughout their study – 2.4% of the 2009 Bachelor numbers studying medicine)
- Medical students who perform well in their first year of study and gain direct entry to medicine require only six years of study in total. This means that high achieving students may not be affected by the 7 EFTS cap. The cap is more likely to be an issue for graduate entrants who have previously used the Student Loan Scheme. This means that they will need to explore alternative sources of financial support.

In answer to media inquiry:

- Providing an exemption for medical students in light of the research about those who enter medical training after having completed a previous degree, would not be consistent with the intent of the policy to encourage the quickest route through study or for the fair distribution of expensive government assistance.
- It is important that priority for student support is given to those that need it the most. Financial barriers to access are generally greatest for young students at the beginning of their study.
- Medical graduates earn on average very high incomes - more than twice as much as graduates in humanities. Those few medical students who reach the 7 EFTS limit before graduating are more likely to secure study loans from private sources, and to repay them relatively quickly, than other borrowers.
- Providing special exemptions for students returning to medical study after completing other degrees and spending time in work is likely to set a precedent for others who exhaust their entitlement and this would compromise the purpose of the policy over time. It would also add to the administrative complexity and cost of the policy.

-

Christopher Bishop

From: westpac.co.nz
Sent: Wednesday, 6 November 2013 10:14 a.m.
To: Christopher Bishop
Subject: Re: Medical students - student loans for final years of degrees

Hi Chris. In short it appears they are correct. We would lend them money through a personal loan, but not enough to support them for a year and or possibly pay their fees. For the most part they would be treated like other customers - until they actually complete their training and have a qualification the amount we were prepared to lend them would be based on their income and ability to service. For many of these students, that would be fairly low. For example, if they have no income, in most cases it would be capped at \$3,000.

I know this sounds slightly irrational, given their very good prospects, but they are still deemed to be a credit risk until they actually finish.

Give me a call if you want to discuss.

Cheers



Corporate Affairs
Te Westpac New Zealand Limited
Fax: Level 7, 318 Lambton Quay
Mobile: P O Box 691
Email: westpac.co.nz Wellington
Web: www.westpac.co.nz New Zealand

join us on



Please only print this e-mail if absolutely necessary.

From: Christopher Bishop <westpac.co.nz>
To: <parliament.govt.nz>
Date: 6 Nov 2013 11:09 a.m.
Subject: Medical students - student loans for final years of degrees

Hi

The NZ Medical Students' Association (NZMSA) met with the Minister recently to discuss 7 EFTS student loan life-time borrowing limit. This policy limits borrowing from the student loan scheme (which is interest free) to 7 years of full time study. For most medical students, this is enough to complete a 6 year medical degree. However, some students (around 25 per cent) complete a three year bachelors degree before entering a medical degree at year 2, which means they study for 8 years (sometimes more).

In their 6th year (or 8th year if they do a three year degree before entering medicine), students are entitled to a Trainee Intern

Grant of \$26,756.

The NZMSA claimed that all the major banks said that they would not lend money to a student in their final year of study who had exhausted the 7 EFTS of borrowing under the student loan scheme.

Interested in the veracity of this claim.

No real rush.

Kind regards.

Christopher Bishop | Senior Advisor
Office of Hon Steven Joyce
Minister for Economic Development, Minister of Science and Innovation
Minister for Tertiary Education, Skills and Employment
Minister responsible for Novopay, Minister for Small Business, Associate Minister of Finance
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6

Christopher Bishop

From: @anz.com>
Sent: Thursday, 7 November 2013 1:53 p.m.
To: Christopher Bishop
Subject: RE: Medical students - student loans for final years of degrees

Hi Chris

Thanks again for the chance to comment on this. I've spoken to a number of colleagues in our credit, consumer finance and risk teams - see comments below.

General comments

ANZ doesn't have a policy that says we don't lend to students who've exhausted their 7 EFTS student loan life-time borrowing limit. We're also not aware of particular issues with final year medical students who claim to have had lending applications declined.

We treat each customer on a case-by-case basis and recognise that medical students are potentially valuable customers so, like any customers, we'll try to assist them with their financial services needs where possible. In doing so though, we obviously have to be cognisant of responsible lending principles and not lend to customers who we know can't afford it.

ANZ's student packages

Our student packages include interest-free overdrafts of up to \$2,000 (first year students are eligible for \$1,000 interest-free).

Examples of ANZ lending to students

We also offer larger overdrafts (interest-bearing) and personal loans to students who meet certain lending criteria, including that they have adequate uncommitted income to service their loan. We also consider other factors such as their current financial position and credit history.

By way of an example, a medical student may be eligible for a personal loan from ANZ of \$10,000 if they:

- Had income of \$26,000 from their Trainee Intern Grant (we presume this grant is paid periodically) or say from a part time job;
- Had outgoings of \$150 per week in rent (NB: some students may live at home and therefore incur lower living expenses);
- Had other weekly living expenses for food, entertainment, transport, insurance etc, of \$250 per week;
- Did not have other financial commitments such as credit card payments, hire purchase obligations or student loan repayments; and
- Met other lending terms and conditions.

More generally, we frequently lend to students who have part time jobs (or some form of income) for items such as second-hand cars and course related costs.

So in summary, lending facilities are available to students, including final year medical students. The critical factor in assessing lending applications is one's ability to service the requested debt.

I hope this is useful. Please let me know if you'd like more information.

Regards

From: Christopher Bishop [mailto: |@parliament.govt.nz]
Sent: Thursday, 31 October 2013 11:10 a.m.
To: '
Subject: Medical students - student loans for final years of degrees

H

The NZ Medical Students' Association (NZMSA) met with the Minister recently to discuss 7 EFTS student loan life-time borrowing limit. This policy limits borrowing from the student loan scheme (which is interest free) to 7 years of full time study. For most medical students, this is enough to complete a 6 year medical degree. However, some students (around 25 per cent) complete a three year bachelors degree before entering a medical degree at year 2, which means they study for 8 years (sometimes more).

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Interested in the veracity of this claim.

No real rush.

Kind regards.

Christopher Bishop | Senior Advisor
Office of Hon Steven Joyce
Minister for Economic Development, Minister of Science and Innovation
Minister for Tertiary Education, Skills and Employment
Minister responsible for Novopay, Minister for Small Business, Associate Minister of Finance
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T: | M |@parliament.govt.nz | W: <http://www.beehive.govt.nz> and <http://www.parliament.nz>
E: |

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Christopher Bishop

From: [redacted]@asb.co.nz
Sent: Friday, 8 November 2013 3:21 p.m.
To: Christopher Bishop
Subject: RE: Medical students - student loans for final years of degrees

I have an answer for you on this.

Can you give me a call or flick me an email when you are free and I will contact you

Cheers

Marketing & Communications
direct | mobile | extension | @asb.co.nz | asb.co.nz

From: Christopher Bishop [mailto: [redacted]@parliament.govt.nz]
Sent: 31 October 2013 3:28 p.m.
To: James Watson
Subject: RE: Medical students - student loans for final years of degrees

Thanks

From: [redacted] [mailto: [redacted]@asb.co.nz]
Sent: Thursday, 31 October 2013 3:06 p.m.
To: Christopher Bishop
Subject: RE: Medical students - student loans for final years of degrees

I will ask around

Marketing & Communications
direct | mobile | extension | @asb.co.nz | asb.co.nz

From: Christopher Bishop [mailto: [redacted]@parliament.govt.nz]
Sent: 31 October 2013 11:10 a.m.
To: [redacted]
Subject: Medical students - student loans for final years of degrees

Hi

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Christopher Bishop | Senior Advisor
Office of Hon Steven Joyce
Minister for Economic Development, Minister of Science and Innovation
Minister for Tertiary Education, Skills and Employment
Minister responsible for Novopay, Minister for Small Business, Associate Minister of Finance
7/2 Beehive, Parliament Buildings, Private Bag 18041, Wellington 6160, New Zealand
T: 04 473 9400
E: cbishop@parliament.govt.nz | W: <http://www.beehive.govt.nz> and <http://www.parliament.nz>

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Christopher Bishop

From: @bnz.co.nz
Sent: Thursday, 14 November 2013 5:16 p.m.
To: Christopher Bishop
Subject: RE: Medical students - student loans for final years of degrees

Hi Chris

Having talked to our youth team they confirmed they wouldn't lend currently for this. However, we are actively looking at developing such a product for university customers and are currently getting it priced and running some analysis on what it would look like.

We're keen to keep a close eye on policy developments regarding the interest-free student loans scheme.

Cheers

----- Original Message -----

From : Christopher Bishop <@parliament.govt.nz>
To : @bnz.co.nz <@bnz.co.nz>
Cc :
Sent on : 31/10 12:42:28 p.m. ZE12
Subject : RE: Medical students - student loans for final years of degrees

Yep - cheers

From.. @bnz.co.nz [mailto:bnz.co.nz]
Sent: Thursday, 31 October 2013 12:34 p.m.
To: Christopher Bishop
Subject: Re: Medical students - student loans for final years of degrees

Sorry I missed your call before, is this what you were ringing about? Will check and find out for you.

Cheers

Marketing & Corporate Affairs
Bank of New Zealand

DDI:
Mobile:

From: Christopher Bishop <@parliament.govt.nz>
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Date: 31/10/2013 11:09 a.m.
Subject: Medical students - student loans for final years of degrees

Hi

The NZ Medical Students' Association (NZMSA) met with the Minister recently to discuss 7 EFTS student loan life-time borrowing limit. This policy limits borrowing from the student loan scheme (which is interest free) to 7 years of full time study. For most medical students, this is enough to complete a 6 year medical degree. However, some students (around 25 per cent) complete a three year bachelors degree before entering a medical degree at year 2, which means they study for 8 years (sometimes more).

In their 6th year (or 8th year if they do a three year degree before entering medicine), students are entitled to a Trainee Intern Grant of \$26,756.

The NZMSA claimed that all the major banks said that they would not lend money to a student in their final year of study who had exhausted the 7 EFTS of borrowing under the student loan scheme.

Interested in the veracity of this claim.

No real rush.

Kind regards.

Christopher Bishop | Senior Advisor
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