

A Terms of the Bonded Merit Scholarship

This Agreement is divided into three parts. This Part A deals with eligibility for Scholarships, payment, continuing eligibility requirements and the bonding obligations. Part B contains terms that only apply in the event of Non-Completion (as further defined in this Agreement) or a breach of the bonding obligations when a Scholarship will become repayable and be recoverable under the Student Loan Scheme Act 1992. Part C contains general terms.

Basic Eligibility Criteria

1. StudyLink will decide on the award of a Scholarship in StudyLink's sole discretion and StudyLink's decision is not subject to any review process. The completion by an applicant of the Scholarship application form and signing of this Agreement does not create an obligation on StudyLink to award a Scholarship. A binding contract will only be created with StudyLink if the applicant receives a Scholarship Approval Advice confirming that he/she is to be awarded a Scholarship.
2. The initial award of the Scholarship will be determined on the basis of the grades from an applicant's first year of study in his/her first Bachelors Degree. Applicants must be Full Time Students. Awards of the Scholarship will be determined on a merit assessment of those grades as against the grades of all applicants, and only those applicants assessed as having the top grades will be awarded a Scholarship. Notwithstanding the foregoing, if two or more applicants are assessed as having grades of equal merit; other information such as evidence of awards, prizes and references may be taken into account as part of that determination. The Scholarship will not be awarded to any applicant who has not achieved a B-grade average (over all subjects) or better in the first year of his/her first Bachelors Degree.
3. The Scholarship may be paid only for Bachelors and subsequent Post-graduate level study in the applicant's specified Course (unless approval is granted to transfer under clause 16) as a Full-Time or Limited Full-Time Student. The Scholarship will only be awarded for an applicant's first Degree or for Post-Graduate level study following that degree and will not be awarded for a second or subsequent degree.
4. The Scholarship will not be paid for the Recipient's initial year of study but will commence at the start of the first semester (which must be between January and March) of the Recipient's second year of Bachelors study. The award of the Scholarship is subject to the applicant being accepted into the second year of a Bachelors Degree course of study and commencing study at the start of the first semester (which must be between January and March in that year).
5. The maximum value of the Scholarship in any one year is \$3000.00 per annum.
6. The Scholarship will be awarded for a maximum of four years in total.
7. A Recipient is not eligible to be awarded more than one Scholarship.
8. A Recipient is not able to hold concurrently with the Scholarship any other government funded scholarship(s) providing support for Course fees or a stipend except for the one earned through the school scholarship exam.
9. Recipients must be New Zealand citizens or permanent residents and be ordinarily resident in New Zealand. Notwithstanding the foregoing, a Recipient may be approved to undertake study overseas as part of his/her Course in certain circumstances.

Payment

10. The Scholarship will be paid each year for which it is awarded:
 - 10.1. directly to the Education Provider, and cannot be collected personally by the Recipient; *and*
 - 10.2. for Compulsory Fees only.
11. Any Compulsory Fees for the Course paid out by StudyLink and subsequently refunded by the Education Provider will be paid to StudyLink who will determine the *pro rata* basis (if any) for any refund to the Scholarship scheme and/or the Recipient's student loan (if used to pay Compulsory Fees for the Course).
12. Payment of the Scholarship each year is subject to the Recipient undertaking the specified Course for which he/she was awarded the Scholarship (including if approved as a Limited Full-Time Student and commencing that Course at the start of the first semester (which must be between January and March each year).

Continuation of the Scholarship

Residency and Overseas Study

13. Payment of the Scholarship in each year is subject to the Recipient continuing to meet the criteria in clause 9.

14. If the Recipient wishes to undertake overseas study as part of his/her Course and this has not been previously approved, the Recipient must apply to StudyLink for approval and approval must be granted in order for the Recipient to maintain eligibility for the Scholarship. The Recipient will be no longer eligible for the Scholarship if the Recipient fails to advise StudyLink and obtain StudyLink's approval for, any overseas study.
15. If in any year in which the Scholarship is paid the Recipient no longer meets the criteria set out in clause 9 or fails to obtain StudyLink's approval for any overseas study, he/she will have no further entitlement to the Scholarship and is required to pay 100% of the amount(s) paid by StudyLink under the Scholarship (known as the Non-Completion Amount) as if it were a Bond Default in accordance with this Agreement, but will not be subject to the bonding obligations.

Transfer and Limited Full-Time Student Status

16. If the Recipient wishes to change his/her Course, the Recipient must apply to StudyLink for a transfer of his/her Scholarship from one Course to another and the transfer must be agreed to by StudyLink in order for the Recipient to maintain eligibility for the Scholarship. The Recipient will no longer be eligible for the Scholarship if the Recipient fails to advise StudyLink and obtain StudyLink's approval for, any change in his/her Course.
17. If the Recipient needs to become a Limited Full-Time Student, the Recipient must apply to StudyLink for approval of his/her Limited Full-Time Student Status and approval must be granted in order for the Recipient to maintain eligibility for the Scholarship. The Recipient will no longer be eligible for the Scholarship if the Recipient fails to obtain StudyLink's approval to his/her Limited Full-Time Student Status.
18. If the Recipient fails to obtain StudyLink's approval for any change in his/her Course or for his/her Limited Full-Time Student Status, he/she is required to pay 100% of the amount(s) paid by StudyLink under the Scholarship (known as the Non-Completion Amount) as if it were a Bond Default in accordance with this Agreement, but will not be subject to the bonding obligations.

Academic Performance

19. Continuation of the payment of the Scholarship is subject to the Recipient maintaining a minimum of a B grade average (over all subjects).
20. If the Recipient fails to maintain a minimum of a B grade average (over all subjects) for reasons beyond the Recipient's control under clause 30 then he/she will be entitled to continue to receive the Scholarship and will continue to be subject to the provisions of this Agreement.
21. Subject to clause 20, if in any year in which the Scholarship was paid the Recipient fails to maintain a minimum of a B grade average (over all subjects), but passes more than half of his/her Course, the Recipient will have no further entitlement to the Scholarship. However, the Recipient will still be subject to the bonding obligations (including repayment on breach of bond) contained in this Agreement if he/she subsequently completes the qualification for which the Scholarship was awarded. If the Recipient subsequently fails to complete the qualification this constitutes Non-Completion in accordance with clause 32.
22. Subject to clause 20, if in any year in which the Scholarship was paid the Recipient fails to maintain a minimum of a B grade average (over all subjects) and fails to pass more than half of his/her Course in any year for which the Scholarship was paid, he/she will have no further entitlement to the Scholarship and he/she will be required to repay 100% of the amount(s) paid by StudyLink under the Scholarship (known as the Non-Completion Amount) as if it were a Bond Default in accordance with this Agreement, but will not be subject to the bonding obligations.

Withdrawal

23. Continuation of the payment of the Scholarship is subject to the Recipient undertaking the specified Course for which he/she was awarded the Scholarship.
24. Subject to clause 26, if in any year in which the Scholarship was paid the Recipient withdraws from the Course for which the Scholarship has been awarded he/she will have no further entitlement to the Scholarship and he/she will be required to repay 100% of the amount(s) paid under the Scholarship (known as the Non-Completion Amount) as if it were a Bond Default in accordance with this Agreement, but will not be subject to the bonding obligations.
25. If the Recipient withdraws for reasons beyond the Recipient's control under clause 30 then he/she will have no further entitlement to the Scholarship but will not be required to repay the Scholarship or be subject to the bonding obligations unless he/she resumes study in accordance with clause 27.
26. If the Recipient withdraws for reasons beyond the Recipient's control under clause 30 and later resumes study, the Scholarship will be payable again but will still only be paid for no more than four years in total (including the prior study). To be paid the Scholarship the Recipient must resume study at the start of the first semester in the year of resumption.

Postponement

27. The Recipient may postpone his/her Course for up to one full academic year for special circumstances under clause 31 and may continue to receive the Scholarship when he/she resumes his/her Course. To be paid the Scholarship the Recipient must resume study at the start of the first semester in the year of resumption.

28. If the Recipient postpones his/her Course other than in circumstances permitted under clause 27 he/she is required to repay 100% of the amount(s) paid by StudyLink under the Scholarship (known as the Non-Completion Amount) as if it were a Bond Default in accordance with this Agreement but he/she will not be subject to the bonding obligations.
29. If the Recipient postpones under clause 27, the Scholarship will still only be paid for a maximum of four years in total (including any prior study). To be paid the Scholarship the Recipient must resume study at the start of the first semester in the year of resumption.

Reasons beyond Recipient's control/ Special Circumstances

30. If the Recipient believes that a failure to maintain a B-grade average or withdrawal (as applicable) or failure to comply with bonding obligations was for reasons beyond the Recipient's control (for example, but without limitation, sickness or accident) (as applicable) the Recipient may apply to StudyLink for an assessment as to whether reasons beyond the Recipient's control existed or exist and StudyLink will assess and determine the matter in its sole discretion.
31. In the case of postponement, if the Recipient believes that special circumstances exist or existed which may justify a postponement the Recipient may apply to StudyLink for an assessment as to whether special circumstances exist or existed and StudyLink will assess and determine the matter in its sole discretion. If special circumstances are held to exist, the Recipient will be able to postpone his/her Scholarship for a maximum of 1 year.

Non-Completion

32. Unless otherwise provided in this Agreement, if the Recipient ceases study without completing the qualification for which the Scholarship was paid (whether for withdrawal, failure, postponement (unless it was for reasons beyond the Recipient's control or special circumstances (as applicable) under clauses 31 and 32) or if a Course transfer, conversion to Limited Full-Time Student Status or overseas study is not approved), he/she is required to repay 100% of the amount(s) paid out under the Scholarship (known as the Non-Completion Amount) as if it were a Bond Default in accordance with this Agreement but he/she will not be subject to the bonding obligations. If the Recipient does not subsequently complete the qualification for which the Scholarship was awarded for reasons beyond their control he/she will not be required to repay the amount(s) paid by StudyLink under the Scholarship and will not be subject to the bonding obligations.

Bonded Period

33. The Recipient is bonded to remain in New Zealand for the minimum period required as set out below, commencing from the date the Recipient gains the Qualification(s) for which the Scholarship was last paid.

Years of Scholarship	Bonded Period
Receipt of a Scholarship for 1 year of study	Recipients must remain in New Zealand for the equivalent of a 1 year period (not required to be consecutive) out of the 2 years following the Bonded Period Start Date
Receipt of a Scholarship for 2 years of study	Recipients must remain in New Zealand for the equivalent of a 2 year period (not required to be consecutive) out of the 3 years following the Bonded Period Start Date
Receipt of a Scholarship for 3 years of study	Recipients must remain in New Zealand for the equivalent of a 3 year period (not required to be consecutive) out of the 4 years following the Bonded Period Start Date
Receipt of a Scholarship for 4 years of study	Recipients must remain in New Zealand for the equivalent of a 4 year period (not required to be consecutive) out of the 5 years following the Bonded Period Start Date

An additional 4 week period of absence is permitted in each year of the bonded period.

34. StudyLink will not consider a breach of bond to have occurred where the reason for the breach of bond is determined to be beyond the Recipient's control in accordance with clause 30 of this Agreement.

Notification Obligations

35. During the Scholarship Period, the Recipient must advise StudyLink if in any year he/she:
- 35.1. withdraws from all or part of his/her Course;
 - 35.2. fails to attain a B-grade average (over all subjects) or better;
 - 35.3. restarts his/her Course (following a withdrawal or postponement that StudyLink has approved);

- 35.4. changes his/her circumstances in a way that might affect eligibility for and/or entitlement to the Scholarship in accordance with this Agreement;
- 35.5. receives any other government funded award or scholarship that provides for fees or a stipend (except for one awarded through the schools scholarship examination);
- 35.6. if he/she leaves New Zealand for any period.
36. During the entire Bonded Period, the Recipient must advise StudyLink:
- 36.1. if he/she leaves New Zealand for any period (including for any period allowable under this Agreement);
- 36.2. of any changes in his/her circumstances that affect his/her bonding obligations.
37. The Recipient must complete and return any declaration sent to him/her by StudyLink, regarding the Scholarship or his/her bonding obligations (including the Residency Statements) within 30 days of the request being issued by StudyLink.
38. During the Scholarship Period **and** the subsequent Bonded Period, the Recipient must immediately advise StudyLink of any change of address.

B Provisions that apply on Bond Default or Non-Completion

The following provisions will apply upon Bond Default or Non-Completion when all or a proportion of the Scholarship becomes repayable and is recovered under the Student Loan Scheme Act 1992 in accordance with this Agreement:

Bond Default

39. The Recipient of a Scholarship agrees to pay back a proportion of the Scholarship if, having gained his/her Qualification:
- 39.1. he/she fails to meet the bonding requirements set out in Clause 33 (Default); *or*
- 39.2. he/she fails to complete and return to StudyLink any Residency Statement requested by StudyLink within 30 days of the request being issued by StudyLink (Deemed Default).
40. In the case of Default/Deemed Default (Bond Default), the proportion the Scholarship to be paid back (the Bond Default Amount) is calculated as follows:

Bond Default Date	Receipt of 3 years of Scholarship or less	More than 3 years of Scholarship
Within 1 year of Bonded Period Start Date	80% of the Scholarship paid	80% of the Scholarship paid
Within 2 years of Bonded Period Start Date	60% of the Scholarship paid	70% of the Scholarship paid
Within 3 years of Bonded Period Start Date	40% of the Scholarship paid	60% of the Scholarship paid
Within 4 years of Bonded Period Start Date	Nil	40% of the Scholarship paid

41. The Bond Default Amount or the Non-Completion Amount shall be a debt which will be recovered by the Commissioner of Inland Revenue under and in accordance with the Student Loan Scheme and the Student Loan Scheme Act 1992 as if the amount were a student loan, and the provisions of that Act shall, where necessary, supplement this Agreement.

Bond Default/ Non-Completion Dispute Process

42. The Recipient will be notified of the Bond Default or the Non-Completion and given time to dispute this in accordance with the process set out in clause 43.
43. The award of a Scholarship is not a decision that may be reviewed. However, StudyLink will apply the following administrative process for resolution of any Bond Default or Non-Completion disputes:
- A Bond Default/Non-Completion Advice Letter will be sent to the Recipient notifying of the Bond Default or Non-Completion and the Bond Default Amount/Non-Completion Amount and giving further details of the dispute process.
 - The Recipient will have 14 days to lodge a dispute as to the Bond Default or Non-Completion. If he/she does not, a final Bond Default/Non-Completion Letter will be sent and the Recipient will have a further 28 days to lodge a dispute. If he/she does not, a reminder letter will be sent to the Recipient. This letter may be sent to the alternative address supplied by the Recipient with his/her Agreement. The Recipient will have a further 14 days to lodge a dispute.
 - If a dispute is lodged, StudyLink will undertake an administrative review (conducted on the papers) of its decision. StudyLink will advise the Recipient in writing regarding the outcome of the review process, including giving reasons, and the outcome will be final and binding on the Recipient except that this is without prejudice to the Recipient's other rights in respect of the Bond Default or Non-Completion.
 - The Bond Default Amount or Non-Completion Amount will be deemed to be established at the expiry of the periods referred to in subclause (b) (if no response is received) or if a dispute is lodged upon completion of the review.

- (e) If the outcome of the review is that the decision is upheld the Bond Default/Non-Completion Amount will be transferred to the Commissioner of Inland Revenue on the 28 February following the advice of the outcome of the review.

Interest

44. Interest on the Bond Default Amount or Non-Completion Amount will accrue on a daily basis (at the Total Interest Rate being the rate that applies to student loans at the time in accordance with the Student Loan Scheme Act 1992 and its Regulations) from the Bond Default Date or the Non-Completion Date. The Total Interest Rate is comprised of two rates, the Base Interest Rate and the Interest Adjustment Rate.
45. The Total Interest Rate that will apply to the Bond Default Amount/Non-Completion Amount at the time of Bond Default or Non-Completion will be the applicable Total Interest Rate at the time. The Recipient acknowledges that the Base Interest Rate and the Interest Adjustment Rate (and, as a result, the Total Interest Rate), are currently specified in the Student Loan Scheme (Interest Rates) Regulations, and may be varied from time to time. The Recipient further acknowledges that he/she will be notified of any such variation by written notice, given from time to time in accordance with Clause 71.
46. The current Base Interest Rate is 4.2% per annum, and is set in accordance with the Student Loan Scheme Act 1992 and its Regulations. This rate may vary from time to time.
47. The current Adjustment Interest Rate is 2.8% per annum, and is set in accordance with the Student Loan Scheme Act 1992 and its Regulations. This rate may vary from time to time.
48. The current Total Interest Rate is 7% per annum, and is set in accordance with the Student Loan Scheme Act 1992 and its Regulations. This rate may vary from time to time.
49. Interest accrues on a daily basis from the Bond Default Date or Non-Completion Date and is Compounded on 31 March of the year following the calculation of the Bond Default Amount or Non-Completion Amount and then on 31 March in each subsequent year.
50. Any interest that accrues may be written off by the Commissioner of Inland Revenue subject to eligibility and pursuant to the Student Loan Scheme Act 1992 and its Regulations (which may vary from time to time).

Transfer of Bond Default Amount/Non-Completion Amount to Commissioner of Inland Revenue

51. Following Bond Default or Non-Completion and the establishment of the Bond Default Amount or Non-Completion Amount, StudyLink will forward a statement to the Recipient showing the Bond Default Amount or Non-Completion Amount together with interest that has accrued as at that date, the projected interest to the following 28 February and the objection rights of the Recipient under the Student Loan Scheme Act 1992.
52. As at 28 February following the establishment of the Bond Default Amount or Non-Completion Amount and the expiration of period for lodging a dispute under clause 34, the administration of the Bond Default Amount/Non Completion Amount (plus any interest accrued) including relevant information held by StudyLink will be transferred to the Commissioner of Inland Revenue, unless:
 - (a) there is a prohibition on transfer under section 12 of the Student Loan Scheme Act 1992, because there is an outstanding objection; or
 - (b) the Recipient has committed any fraud or false pretence in relation to the provision of information to StudyLink, in which case the fraudulent proportion of the Scholarship shall become repayable in full immediately upon demand; or
 - (c) the Recipient has made a repayment to StudyLink during January or February in that year, in which case the transfer will occur on 31 March of that year.
53. If the Recipient has an existing student loan with the Commissioner of Inland Revenue, upon transfer, the Bond Default Amount or Non-Completion Amount will be added to his/her student loan.

Repayments

54. Following transfer of the Bond Default Amount or Non-Completion Amount to the Commissioner of Inland Revenue, and/or once the Recipient is earning over the repayment threshold the Recipient will be required to make compulsory repayments of the Bond Default/Non-Completion Amount and interest accrued out of any income earned based on the Recipient's income that is over the repayment threshold multiplied by the repayment percentage, with the amount and timing depending on the Recipient's personal earning circumstances in accordance with the Student Loan Scheme.
55. The Recipient acknowledges that the repayment threshold is as specified in the Student Loan Scheme (Repayment Threshold) Regulations, and may be varied from time to time in accordance with 87 of the Student Loan Scheme Act 1992. The Recipient further acknowledges that notification of such variation may be made in accordance with Clause 71.

56. If the Recipient does not pay on the due date any amount required to be paid under the Student Loan Scheme Act 1992 or under this Agreement, the Recipient will incur a default penalty of 2% of the amount unpaid immediately, and 2% monthly thereafter until the amount of the default is paid in full.
57. Where a Recipient is required to make compulsory interim repayments under the Student Loan Scheme Act 1992 and the Recipient's interim repayments are underestimated as at the final installment date, the Recipient may be liable in accordance with the terms of section 44A of that Act for an underestimation penalty of 10% of the amount underestimated.
58. The Bond Default Amount or Non-Completion Amount together with interest shall become repayable upon demand if the Recipient: becomes a bankrupt or enters into a composition with creditors, or where the Recipient has committed any fraud or false pretence in the obtaining of a Scholarship, or fails to comply with the Recipient's obligations for provision of information under this Agreement, or fails to pay any amount payable under this Agreement including instalments of the Bond Default Amount or Non-Completion Amount and interest accrued due.
59. If the Recipient dies, the Bond Default Amount or Non-Completion Amount including all interest will cease to be repayable.
60. A Recipient can at any time make voluntary repayments of all or part of the Bond Default Amount or Non-Completion Amount together with interest to StudyLink (so long as the repayments are over the Minimum Repayment Amount) or after the transfer of the administration of the Bond Default Amount or Non-Completion Amount to the Commissioner of Inland Revenue, to the Commissioner of Inland Revenue.

Dispute rights

61. The Recipient will have the rights set out in the Student Loan Scheme Act 1992 and any other rights available at law.
62. After the administration has transferred to the Commissioner of Inland Revenue the Recipient has the right to challenge his/her repayment obligation or any interest, penalty or penal repayment obligation charged, on the grounds set out in Part 5 of the Student Loan Scheme Act 1992.

Offences

63. If the Scholarship is recovered under the Student Loan Scheme Act 1992, the Recipient will commit an offence under that Act if the Recipient:
 - (a) wilfully or negligently fails to notify his/her employer that he/she is required to have repayment deductions made from his/her salary or wages in accordance with this Agreement and the Act; or
 - (b) wilfully or negligently gives any false information in relation to any matter or thing affecting a repayment deduction or the Recipient's repayment obligation under this Agreement and the Act; or
 - (c) wilfully or negligently misleads or attempts to mislead the Commissioner of Inland Revenue or any other officer, or any employer or other person, in relation to any matter or thing affecting a repayment deduction or the Recipient's repayment obligation; or
 - (d) wilfully or negligently makes any false return; or
 - (e) refuses or fails to furnish any return or information as and when required by the Act or the Commissioner of Inland Revenue; or
 - (f) obstructs any officer of the Commissioner of Inland Revenue acting in the discharge of that officer's duties or in the exercise of that officer's powers under the Act.
64. If the Recipient evades, or attempts to evade, or does any act with intent to evade, the assessment or payment of any sum which may be chargeable as a repayment obligation, the Recipient commits an offence under section 85 of the Student Loan Scheme Act 1992 and is liable for a penalty not exceeding an amount equal to treble the amount of the deficient repayment obligation.
65. Any prosecution commenced in accordance with clauses 63 and 64 may be taken in addition to any other remedy available under this Agreement.

Disclosure

66. On the occurrence of a Bond Default or Non-Completion a debt will be created and this Agreement will become a consumer credit contract under the Credit Contracts and Consumer Finance Act 2003. The following applies:

A. Cancellation Rights

Section 27 of the Credit Contracts and Consumer Finance Act 2003 gives the Recipient the right to cancel this Agreement by giving written notice of cancellation to StudyLink in accordance with clause 69 within 7 Working Days after the date of the Initial Scholarship Approval Advice.

If the Recipient's Education Provider has already had Compulsory Fees paid to it in accordance with this Agreement, then those fees must be repaid by the Recipient to StudyLink not later than the end of the 7th Working Day after the date of the Scholarship Approval Advice.

B. Initial Disclosure

(This disclosure is made pursuant to section 17 of the Credit Contracts and Consumer Finance Act 2003)

Note: The obligation to repay, and interest accrual, only apply upon Bond Default or Non-Completion when the Bond Default Amount or Non-Completion Amount is recovered under the Student Loan Scheme Act 1992 in accordance with this Agreement.

Current Total Annual Interest Rate:	7.0% per annum	Note: (a) The Total Annual Interest Rate is made up of two parts, being the Base Interest Rate (representing the costs to the Crown of the Student Loan Scheme) and the Interest Adjustment Rate (based on the movement in the Consumer Price Index (Cost of Living)). (b) Interest accrues on a daily basis and is Compounded on 31 March following the Bond Default Amount or Non-Completion Amount establishment and annually thereafter. (c) The Base Interest Rate, the Interest Adjustment Rate and the Total Annual Interest Rate are subject to adjustment as set out in clause 45.
Current Base Interest Rate:	4.2% per annum	See above.
Current Interest Adjustment Rate:	2.8% per annum	See above.
Interest Write-off:	<p>The Student Loan Scheme Act 1992 provides that any interest that accrues may be written off by the Commissioner of Inland Revenue, subject to eligibility.</p> <p>If the Recipient is studying while interest is accruing the Recipient may be eligible for a full interest write-off, provided certain criteria set out in the Student Loan Scheme Act 1992 are met.</p> <p>Once the Recipient is earning the Recipient may be eligible for a base interest write-off where the base interest exceeds 50% of his/her repayment obligation or an interest reduction where his/her income is below the repayment threshold.</p> <p>Application for an interest write-off can be made by the Recipient by supplying his/her IRD number to his/her Education Provider on the prescribed Course enrolment form, or directly to the Commissioner of Inland Revenue.</p>	
Default Penalty:	2%	If the Recipient does not pay on the due date any amount required to be paid under the Student Loan Scheme Act 1992 or under this Agreement, the Recipient will incur a default penalty of 2% of the amount unpaid immediately, and 2% monthly thereafter until the amount of the default is paid in full. Refer also to clause 57 in relation to the underestimation penalty and clause 56 in relation to the penal repayment obligation.
Repayments:	Once the Recipient is earning over the repayment threshold the Recipient will be required to make compulsory repayments out of any income earned, with the amount and timing depending on the Recipient's personal earning circumstances in accordance with the provisions of the Student Loan Scheme Act 1992. Refer to clauses 54-55.	
Continuing Disclosure Statements:	If applicable, before transfer of the administration of the Bond Default Amount/Non-Completion Amount to the Commissioner of Inland Revenue, StudyLink will send the Recipient regular statements (at least six monthly) showing the amount(s) outstanding. After transfer of the administration of the Bond Default Amount/Non-Completion Amount to the Commissioner of Inland Revenue, the Commissioner of Inland Revenue will send the Recipient regular statements (at least six monthly) showing the amount(s) outstanding.	
StudyLink's Address	The Ministry of Social Development StudyLink Centre Freepost 113907 Private Bag 11070 PALMERSTON NORTH 5320	
Commissioner of Inland Revenue's Address: (After transfer of the administration of a Bond Default Amount/Non-Completion Amount in accordance with clause 52)	Commissioner of Inland Revenue 12 – 22 Hawkestone Street PO Box 2198 WELLINGTON	

C General Provisions

Notices

67. Notices, requests or requirements to be given to the Recipient by StudyLink or the Commissioner of Inland Revenue (after the transfer of the administration of the Bond Default Amount/Non-Completion Amount in accordance with clause 52) under this Agreement may be given by StudyLink or the Commissioner of Inland Revenue, or by any employee agent or solicitor for any of them; and may be sent by ordinary mail, or personally delivered to the address of the Recipient as specified in this Agreement, or to any address subsequently advised by the Recipient, or to an address held by the Commissioner of Inland Revenue, or may be handed to the Recipient personally.
68. If StudyLink or the Commissioner of Inland Revenue has reason to believe that the Recipient's address is incorrect, or that the Recipient is no longer receiving mail or living at that address, StudyLink may send or deliver notices to any alternative address that is identified within the Ministry of Social Development's or Commissioner of Inland Revenue's databases.
69. Notices may be given by the Recipient under this Agreement by the Recipient delivering the notice to any StudyLink office or by post to StudyLink at the address set out in the disclosure section in part B of this Agreement. After the transfer of the administration of a Bond Default Amount/Non-Completion amount in accordance with clause 52, notices may be given by the Recipient by post to the Commissioner of Inland Revenue at the address set out in the disclosure section in part B of this Agreement.
70. Notices sent by ordinary mail shall be deemed to be given 3 days after posting.
71. StudyLink or the Commissioner of Inland Revenue may give notice of any variation of the Base Interest Rate, the Interest Adjustment Rate and, as a result, the Total Interest Rate, the repayment threshold or the repayment percentage as referred to in clause 54 (or any notice varying the Minimum Repayment Amount) by publication in accordance with the Student Loan Scheme Act 1992 or by notice in writing addressed to the Recipient in accordance with the Credit Contracts and Consumer Finance Act 2003.

Fraud

72. Any person who uses this Agreement to obtain a Scholarship in circumstances where the Recipient is not a student of an Education Provider, or commits fraud or uses false pretence to obtain this Scholarship may be liable for an offence under the Crimes Act 1961, and/or may have to repay all or part of the Scholarship. In addition to any criminal sanctions, the fraud or use of false pretences will be treated as a Bond Default, with the Bond Default Date being the date the Scholarship was obtained as a result of fraud or use of false pretences, the part required to be repaid will be the Bond Default Amount and the provisions of this Agreement shall apply accordingly (except that the Recipient shall not be subject to the bonding obligations).
73. Any prosecution commenced in accordance with clause 72 may be taken in addition to any other remedy available to StudyLink under this Agreement.

Governing Law

74. This Agreement shall be governed by the law of New Zealand. The Recipient and StudyLink irrevocably submit to the non-exclusive jurisdiction of the courts of New Zealand. Nothing in this Agreement shall limit the right of StudyLink to commence any legal action against the Recipient in any other jurisdiction, whether concurrently or otherwise.

Assignment

75. StudyLink's interest in this Agreement may be assigned by StudyLink to any Department of State, organisation or person. The Recipient may not assign his/her interest or obligations under this Agreement.

Privacy

76. The Recipient consents to:
 - a. the disclosure and/or matching of all personal information supplied by him/her and relating to this Agreement (and the Recipient's Scholarship application form), that is held by all relevant public bodies, including, but not limited to :
 - i. Ministry of Social Development;
 - ii. Inland Revenue Department;
 - iii. Ministry of Education;
 - iv. Tertiary Education Commission;
 - v. New Zealand Qualifications Authority;
 - vi. Education Provider;
 - vii. New Zealand Customs Service; and
 - viii. Department of Internal Affairs,

to any other of these organisations or to any person, only so far as shall be required to enable the implementation or enforcement of the provisions of this Agreement;

- b. the matching of any such personal information with any other personal information of the Recipient (if any) held by the Ministry of Social Development for the purpose of ensuring compliance with the provisions of this Agreement.
77. The Recipient consents to StudyLink obtaining results of study from his/her Education Provider, or from the New Zealand Qualifications Authority to confirm his/her eligibility or continuing eligibility for the Scholarship.
78. The Recipient consents to StudyLink obtaining information regarding payment of Course costs and Compulsory Fees from his/her Education Provider.

Agreement

79. All the terms of this Agreement are contained in this Agreement and where applicable the Student Loan Scheme Act 1992, which shall supplement the provisions of this Agreement, and other terms implied by law. In the event of any inconsistency between the provisions of the Student Loan Scheme Act 1992 and the terms of this Agreement, the provisions of the Student Loan Scheme Act 1992 shall prevail.

Interpretation

"Agreement" means this agreement, including the signing page and the terms and conditions.

"Bond Default" means a Default or Deemed Default as provided for in clause 33 and where the context requires includes Non-Completion.

"Bond Default Advice Letter" means the letter of advice to the Recipient that he/she has committed a Bond Default and calculating the Bond Default Amount.

"Bond Default Amount" means the repayable proportion of the Scholarship calculated in accordance with Clause 40 and, where applicable, includes any interest accrued on the Bond Default Amount.

"Bond Default Date" means the earlier of;

- a) the Date of Deemed Default or
- b) the date the Recipient exceeded the permissible period of stay outside of New Zealand as set out in Clause 33.

"Bonded Period" means the minimum period for which the Recipient is bonded for as set out in Clause 33.

"Bonded Period Start Date" means the date when it is confirmed that the Recipient has gained the qualification(s) as a result of the Course for which the Recipient was awarded the Scholarship.

"Commissioner of Inland Revenue" means the Commissioner of Inland Revenue as defined in the Tax Administration Act 1994.

"Compounded" means, in relation to an amount of interest, that such amount shall be added to the existing amount owing and shall bear interest.

"Compulsory Fees" means the compulsory Course fees charged by the Education Provider in respect of the Course and which are not being paid from another source. It does not include Course-related costs or levies or any other amount.

"Course" means a Bachelors Degree or Post-Graduate Degree Course approved for student loan or student allowance purposes.

"Date of Deemed Default" means the expiry of the 30th day following the date of the declaration or Residency Statement being requested by StudyLink.

"Deemed Default" means StudyLink not receiving the Recipient's completed Residency Statement within 30 days of any such Residency Statement being requested by StudyLink.

"Education Provider" means a state university, polytechnic, wananga, college of education, or a registered private training establishment providing tertiary education.

"Full-Time Student" means a student enrolled in a Course of at least 32 weeks and which has an equivalent full-time student value of at least 80%, as determined in accordance with the formula used for the purposes of the Education Act 1989 (0.8 EFTS).

"Limited Full-Time Student" means a student enrolled in less than a full-time Course that StudyLink has approved as if it were full-time under clause 17 in terms of the Scholarship due to a Recipient needing to study on less than a full-time basis a) to complete a recognised programme or b) if he/she needs to do so due to reasons that StudyLink (in its sole discretion) has assessed and determined were beyond his/her control (for example, but without limitation, because of sickness or accident).

["**Minimum Repayment Amount**" means the lesser of:

- a) \$100 or such other amount as the Recipient may be advised by StudyLink from time to time; or
- b) the balance of the Bond Default/Non-Completion Amount.]

"**Non-Completion**" means a failure by a Recipient to complete his/her qualification for which the Scholarship was awarded or have otherwise been deemed to have not completed in accordance with this Agreement (because of withdrawal, failure or postponement (unless for reasons beyond the Recipient's control/Special circumstances as applicable) or if a Course transfer or conversion to Limited Full Time Student status or overseas study is not approved) or a failure by a Recipient to retain his/her status as a New Zealand citizen or permanent resident and ordinarily resident).

"**Non-Completion Advice Letter**" means the letter of advice to the Recipient that he/she has not completed his/her Course in accordance with this Agreement or has transferred Course in breach of this Agreement and calculating the Non-Completion Amount.

"**Non-Completion Amount**" means 100% of the Scholarship amount(s) paid to a Recipient which is repayable upon Non-Completion and, where applicable, includes any interest accrued on the Non-Completion Amount. The Non-Completion Amount will be recovered in the same manner as the Bond Default Amount.

"**Non-Completion Date**" means the date the Recipient withdraws, fails, postpones or transfers Course, as the case may be, in breach of this Agreement.

"**Qualification**" means the undergraduate degree or postgraduate degree awarded on successful completion of the Course(s) for which the Scholarship was paid.

"**Recipient**" means the person to whom the Scholarship has been awarded.

"**Residency Statement**" means any statement or declaration StudyLink requires the Recipient to make in order to confirm that the Recipient has complied with his/her bond obligations.

"**Scholarship**" means: (a) the Bonded Merit Scholarship, being the Crown's scheme intended to recognise and reward New Zealand's most academically capable students and to provide them with an incentive to remain in New Zealand post study by providing compulsory course costs assistance to eligible students enrolled in Bachelors or Post-Graduate Degree study with Education Providers; and (b) any such Scholarship awarded under this Agreement.

"**Scholarship Approval Advice**" means the written advice to the Recipient that he/she has been awarded a Scholarship and setting out details of the amount he/she will be awarded as a result of the Scholarship.

"**Scholarship Period**" means any period the Recipient is in receipt of the Scholarship.

"**Student Loan Scheme**" means the Crown's loan scheme for tertiary students and includes the scheme so established as amended from time to time.

"**StudyLink**" means Her Majesty the Queen in right of New Zealand acting by and through StudyLink, a service line of the Ministry of Social Development, and references to StudyLink shall include any subsequent agency responsible for the administration of the Bonded Merit Scholarships.

"**Working Day**" means a day of the week other than:

- (a) a Saturday, a Sunday, Waitangi Day, Good Friday, Easter Monday, Anzac Day, the Sovereign's Birthday, and Labour Day; and
- (b) a day in the period commencing with 25 December in a year and ending with 2 January in the following year; and
- (c) if 1 January falls on a Friday, the following Monday; and
- (d) if 1 January falls on a Saturday or a Sunday, the following Monday or Tuesday, respectively.

References to the "**Student Loan Scheme Act**" or "**Student Loan Scheme Act 1992**" or "**Act**" means the Student Loan Scheme Act 1992 and include regulations made under it, including the Student Loan Scheme (Interest Rates) Regulations and the Student Loan Scheme (Repayment Threshold) Regulations, and any Acts and regulations amending, replacing or consolidating the Act or those regulations.