

For use by NSFAS Head Office

Acc No. Loan No. 

2015

**QUOTATION**

Being a Pre-Agreement Statement and Quotation for Student Loan Agreement in terms of Section 92 of the National Credit Act, No 34 of 2005 ("The NCA")

**PARTICULARS OF CREDIT PROVIDER**Name NATIONAL STUDENT FINANCIAL AID SCHEMEPhysical address 18-20 COURT ROAD, WYNBERG, CAPE TOWNTelephone number 021 763 3232NCR No. NCRCP 2655INSTITUTION  
STAMP**PARTICULARS OF STUDENT BORROWER**ID number 

Surname..... Title.....

First name (as reflected on ID)..... Date of birth DD MM YYYY

Physical home address (not a P.O. Box) ..... City.....

Province..... Country..... Postal code.....

Home telephone..... Cellphone.....

Email address.....

Student number.....

Course of study.....  
(B Science, B Commerce etc. Please complete in full, no abbreviations)

Date of this quotation.....

**LOAN AGREEMENT : RIGHTS AND OBLIGATIONS**

The attached Loan Conditions, which set out all the rights and obligations of NSFAS and the Student, will apply to and form part of any loan agreement which is concluded between them pursuant to this pre-agreement statement and quotation.

**AMOUNT TO BE LENT (PRINCIPAL DEBT)**

Loan Amount : R.....

No additional charges, fees or premiums are levied. No deposit is required. No insurance or security is required. The Student repays only the Loan Amount and interest. The Loan Amount is not paid to the Student. It is paid to the Institution as a credit to the Student's account with the Institution.

**LOAN AGREEMENT : RIGHTS AND OBLIGATIONS**

The terms and conditions of repayment of the Loan Amount and interest by way of instalments are contained in paragraphs 3, 4 and 5 of the attached Loan Conditions.

Initial Annual Interest Rate.....

The charging of interest on the Loan Amount, and changes in the interest rate, are dealt with in paragraph 2 of the attached Loan Conditions. NSFAS's interest rate is fixed at 1 April every calendar year, and that rate applies for the next Twelve (12) months, until 31 March the following year.

NSFAS's interest rate is fixed at 80% of the Repo Rate as at 1 April. The Repo Rate is the rate charged by the SA Reserve Bank when it lends money to other banks. If the Repo Rate as at 1 April in any year is different from the Repo Rate as at 1 April in the previous year, then NSFAS's interest rate will change to 80% of the new Repo Rate.

.....  
The Student, who signs in acknowledgement of receipt of this document

## LOAN CONDITIONS

This document records the terms which will apply to any loan which may be awarded by NSFAS to assist the Student to pursue the Course of Study referred to in the accompanying pre-agreement statement and quotation ("the Quotation"), at the Higher Education Institution named in the Quotation.

### 1. LOAN AMOUNT

- 1.1 The Loan Amount recorded in the accompanying Quotation will be paid as a credit to the Student's account with that Higher Education Institution, for the academic and residence fees, student levies and other similar costs of pursuing that Course of Studies.
  - 1.1.1 Payment will be made to the Higher Education Institution as and when NSFAS decides.
  - 1.1.2 The loan referred to in this document has been made for the academic year referred to in paragraph 5.1 of the Loan Agreement Form (see clause 12 below).
  - 1.1.3 If, at the end of that academic year, any part of the Loan Amount has not been used to pay fees and costs owed by the Student to the Higher Education Institution, that unused part will be returned by the Institution to NSFAS, and the outstanding balance owed by the student to NSFAS in terms of this agreement will be reduced accordingly.
- 1.2 NSFAS will be entitled, if it so chooses, after this agreement has been signed but before any part of the Loan Amount has been paid to the Higher Education Institution, to reduce the Loan Amount. NSFAS will not be obliged to notify the Student of any amendments made in terms of this clause 1.2, other than by recording the outstanding balance of the Loan Amount from time to time in the statements sent to the Student in terms of clause 6. That reduced amount will constitute the Loan Amount for the purposes of this agreement.
- 1.3 The Loan Amount is the principal debt owed by the Student to NSFAS, as contemplated in section 101(1)(a) of the National Credit Act, No. 34 of 2005 ("the Credit Act").
- 1.4 By mutual agreement the NSFAS reserves the right to introduce credit insurance on this principal debt

### 2. INTEREST

- 2.1 Whilst the student borrower remains studying at a Public Higher Education Institution, interest will remain at 0% of the loan amount. Interest will start to accrue on the debtor individual loan account balance based on the exit date of the student. The exit date is defined as the date the student exits the Institution, regardless of whether the student has graduated. The interest will start to accrue on the outstanding Capital balance after the exit date from the Institution or when contractual repayment becomes due or payable.
- 2.2 Interest will be charged at the initial annual rate of interest recorded in the accompanying Quotation.
  - 2.2.1 NSFAS's interest rate is fixed on 1 April every calendar year, and that rate applies for the next Twelve (12) months, until 31 March of the following year.
  - 2.2.2 NSFAS's interest rate is fixed at Eighty (80) percent of the Repo Rate as at 1 April.
  - 2.2.3 The Repo Rate is the Repurchase Rate as determined from time to time by the Monetary Policy Committee of the South African Reserve Bank.
  - 2.2.4 NSFAS must give the Student written notice of any new interest rate not later than Thirty (30) working days after the day on which the new rate takes effect.
- 2.3 If the Student fails to make repayments in terms of this agreement, interest will continue to be charged on arrear or unpaid amounts at the rate contemplated in clause 2.2 above. No increased or penalty interest will be charged.

### 3. REPAYMENT

The Student must begin repaying the Loan Amount and accrued interest in monthly instalments as soon as the Student finds employment.

- 3.1 The amount of each instalment will be set down:
  - 3.1.1 In the scales prescribed by the Minister of Education in terms of section 27 of Act 56 of 1999 ("the NSFAS Act"), or if there are no such scales,

3.1.2 In scales drawn up by NSFAS from time to time.

- 3.2 The scales prescribed by the Minister or drawn up by NSFAS will set down a sliding scale of instalment payments, on the basis that:
  - 3.2.1 The higher the Student's total annual income, the higher the monthly instalments.
  - 3.2.2 While the Student's total annual income is below the minimum level set by the Minister or NSFAS:
    - 3.2.2.1 The Student will not have to pay any instalments.
    - 3.2.2.2 Interest will, however, continue to be charged.
- 3.3 A schedule setting out the applicable scales is obtainable from NSFAS.
- 3.4 While the Student's annual income is at or above the minimum level referred to in 3.2.2. above, the Student must pay the applicable monthly instalments to NSFAS, until the Loan Amount and all interest has been paid.
- 3.5 Each monthly instalment will be a separate debt, and will become due (as contemplated in section 12(1) of the Prescription Act, No. 68 of 1969) only on the last day of the month in which NSFAS is entitled to demand payment of that instalment.
- 3.6 Extinctive prescription will not run in respect of the outstanding balance of the Loan Amount or any accrued interest :
  - 3.6.1 During any period when the Student is not paying instalments because the Student's annual income is below the minimum level.
  - 3.6.2 For as long as the Student fails to notify NSFAS in writing that the Student's annual income has increased to or beyond that minimum level. Any such failure will be deemed to be a wilful act or omission preventing NSFAS from coming to know of the existence of a debt, as contemplated in section 12(2) of the Prescription Act.
  - 3.6.3 Unless NSFAS enforces any right it may acquire to demand early repayment in terms of clause 4.
- 3.7 All instalments received may be applied by NSFAS firstly to any legal costs incurred in recovering those instalments, then to accrued interest, and finally to the outstanding balance of the Loan Amount.
- 3.8 If, in the opinion of NSFAS, the Student successfully completes the Course of Study, NSFAS may, in its absolute discretion, deem up to Forty (40) percent of the Loan Amount to be a bursary. If NSFAS chooses to award the Student a bursary, the Loan Amount will be reduced by the amount of that bursary, and the Student will be obliged to repay only the remaining balance of the Loan Amount, and interest on that balance, on condition:
  - 3.8.1 The student must repay that balance and accrued interest in strict compliance with all the provisions of this agreement.
  - 3.8.2 If the student fails to make repayment of the balance and accrued interest in terms of this agreement, or breaches any term of this agreement, then NSFAS will be entitled, in its absolute discretion, to rescind the bursary and claim repayment of the whole of the original Loan Amount and accrued interest on that original Loan Amount from 1 April of the year for which the loan was granted.

### 4. NSFAS CAN DEMAND EARLY REPAYMENT

NSFAS will be entitled to withhold payment of any or all amounts to the Higher Education Institution, and/or to demand, by written notice to the Student, that the Student must repay the whole unpaid balance of the Loan Amount and accrued interest immediately, in one lump sum, if :

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Student signature

- 4.1 The Student makes any dishonest or materially inaccurate statement in his/her application for a NSFAS loan.
- 4.2 The Higher Education Institution, for whatever reason, refuses to register or admit the Student, or suspends or expels the Student.
- 4.3 The Student receives any financial assistance in connection with the Course of Study other than this loan from NSFAS.
- 4.4 The Student commits any breach of any term of this agreement.

#### 5. EARLY SETTLEMENT AND PREPAYMENT BY THE STUDENT

- 5.1 The Student is allowed to settle his/her debt to NSFAS at any time, without giving advance notice to NSFAS.
- 5.2 The amount required to settle with NSFAS is :
- 5.2.1 The unpaid balance of the Loan Amount at that time, plus
- 5.2.2 The unpaid interest on the Loan Amount.
- 5.3 By paying the whole of the settlement amount to NSFAS, the Student will terminate this agreement.
- 5.4 The Student is entitled, at any time and without notice or penalty, to prepay any amount owing to NSFAS under this agreement, i.e.: to pay that amount even though it is not yet due or payable.

#### 6. STATEMENTS

- 6.1 NSFAS will deliver a statement to the Student every Three (3) months.
- 6.2 Every statement will, among other things, show :
- 6.2.1 Any payments received by NSFAS from the Student in the previous Three (3) months
- 6.2.2 The interest which has been charged by NSFAS over the previous Three (3) months
- 6.2.3 The unpaid balance of the Loan Amount and accrued interest still owed by the Student to NSFAS

#### 7 STUDENT'S WARRANTIES

The Student warrants (i.e. guarantees) that:

- 7.1 The following facts are true and complete in every aspect:
- 7.1.1 The facts recorded in the accompanying Quotation, under the heading "Particulars of Student Borrower".
- 7.1.2 The facts stated by the Student in and in relation to the Student's application for a loan from NSFAS.
- 7.1.3 The facts stated in paragraphs 1, 2 and 3 of the Loan Agreement Form (see clause 12 below).
- 7.2 The Student will at all times obey all the rules and codes of conduct of the Higher Education Institution, and pursue the Course of Study with commitment and dedication.
- 7.3 The Student will inform NSFAS in writing immediately:
- 7.3.1 Whenever the Student takes up a new job, whether after a period of employment or otherwise, and at the same time supply the following information :
- 7.3.1.1 The new employer's name, physical and postal addresses, telephone number, fax number and e-mail address; and
- 7.3.1.2 The monthly or annual salary which the Student will be earning.
- 7.3.2 Whenever the address of the Student or his/her next-of-kin changes.
- 7.3.3 Whenever the Student's salary (or other remuneration or income) increases.
- 7.3.4 If the Higher Education Institution refuses to register or admit the Student, or expels or suspends the Student.
- 7.3.5 If the Student receives any other financial assistance (i.e. apart from the loan provided for in this agreement) in connection with the Course of Study.
- 7.4 Even if the Student's circumstances have not changed in any manner mentioned in clause 7.3 above, the Student will, whenever requested by NSFAS, send the following information

to NSFAS in writing:

- 7.4.1 The Student's physical residential address.
- 7.4.2 The Student's current telephone number and e-mail address, if applicable.
- 7.4.3 Whether the Student is still studying and, if so, what institution the Student is attending, and what course he/she is studying.
- 7.4.4 Whether the Student is employed or unemployed.
- 7.4.5 If the Student is employed, the name, address and telephone number of the employer, and the total monthly remuneration which the Student receives from that employer.
- 7.5 The Student is not, and never has been, an unrehabilitated insolvent.
- 7.6 The Student is not, and never has been, subject to an administration order in terms of section 74 of the Magistrates' Courts Act.
- 7.7 Student to be mentally unfit.

#### 8 AUTHORITY

- 8.1 The Student hereby authorises NSFAS at any time, and from time to time, to request and obtain any academic or financial information about the Student which NSFAS may require, whether from the Higher Education Institution or from any employer, bank or other financial institution, or from any other person, without the prior consent of the Student.
- 8.2 The Student hereby consents to NSFAS obtaining consumer credit information (as defined in section 70(1) of the Credit Act) relating to the Student from any credit bureau for any purpose contemplated in section 70(2)(g) of that Act.

#### 9. LEGAL PROCEEDINGS

- 9.1 If NSFAS sues the Student to enforce payment of the Loan Amount and/or interest:
- 9.1.1 A certificate signed by a duly authorised officer of NSFAS, stating the fact that payment has become due, and the amount of the Loan Amount and interest then outstanding, will be sufficient proof of those facts to enable legal proceedings (including proceedings for default judgment, summary judgment or provisional sentence) to be instituted in any court to recover those amounts.
- 9.1.2 The Student agrees that any Magistrate's Court having jurisdiction at the Student's chosen service address, will have full jurisdiction in respect of such legal proceedings, in spite of the fact that the amount of NSFAS's claim may exceed the normal limits of that court's jurisdiction.
- 9.1.3 The Student will be responsible for all legal costs incurred by NSFAS, namely:
- 9.1.3.1 The fees charged by NSFAS's attorneys, on an attorney and own client basis, in accordance with the non-litigious tariff prescribed from time to time by the Cape Law Society.
- 9.1.3.2 All disbursements incurred by NSFAS's attorneys.
- 9.1.3.3 Collection commission at the prescribed rate [presently Ten (10) per cent] on all amounts collected from the Student by NSFAS's attorneys.
- 9.2 The Student acknowledges that, if the Student is earning remuneration sufficient to oblige the Student to begin making repayments to NSFAS, or to oblige the Student to increase the amount of regular repayments already being made, and fails to notify NSFAS of this in any manner provided for in this agreement :

Student signature

- 9.2.1 Although the Student will then be in breach of this agreement, entitling NSFAS to the various remedies contemplated in it, the Student will not be in default for the purposes of section 103(5) of the Credit Act
- 9.2.2 Accordingly, until NSFAS becomes aware of the Student's breach, the period of "time that a consumer is in default", as contemplated in that section 103(5), will not commence.
- 9.2.3 The Student will be afforded the protection of that section, which limits the amount of interest which may accrue while the Student is in default, only after NSFAS is informed that the Student is in default.

## 10. DEFAULT AND CREDIT BUREAUS

- 10.1 If the Student fails to make repayments to NSFAS in the manner provided for in this agreement, one option open to NSFAS is to place the Student's name on a list of defaulting debtors maintained and published by any credit bureau, i.e. to submit adverse information concerning the Student to a credit bureau.
- 10.2 If the Student fails to notify NSFAS in the manner and at the intervals referred to in clause 7.4 above, the Student will be deemed to be failing to make repayments as required by this agreement, and NSFAS will be entitled to submit adverse information concerning the Student to a credit bureau.
- 10.3 NSFAS must give the Student Twenty (20) business days' written notice of NSFAS's intention to submit adverse information concerning the Student to a credit bureau.
- 10.4 NSFAS will give the Student Twenty (20) working days from the date of the letter to commence making repayments, to resume making repayments, or to notify NSFAS in the manner contemplated in clause 7.4, as the case may be.
- 10.5 The Student agrees that the period of Twenty (20) working days referred to in clause 10.3 will afford the Student a reasonable opportunity (as contemplated in section 21(4)(b) of the NSFAS Act) to begin or resume making repayments, or to notify NSFAS as required by clause 7.4.
- 10.6 The credit bureau to which NSFAS will send default information concerning the Student (if applicable) is the Information Trust Corporation. The current contact details of that bureau are:
- 10.5.1 Telephone number: 011.214.6901/0861.482.4357
- 10.5.2 Fax number: 011.214.6001
- 10.5.3 Website: www.transunion.co.za
- 10.7 The business of credit bureaus is to provide, to fee-paying clients, credit profiles and credit worthiness scores on the people about whom they keep credit-related information.
- 10.8 The Student is entitled, at any time and from time to time:
- 10.8.1 To contact any credit bureau to which NSFAS refers information concerning defaulting borrowers.
- 10.8.2 To require that credit bureau to disclose to the Student any information which NSFAS has sent to the bureau concerning the Student.
- 10.8.3 To require the credit bureau to rectify any incorrect information kept or published by the bureau concerning the Student.
- 10.9 If the Student is employed and is obliged to but is failing to make repayments in terms of this agreement, a further option available to NSFAS is to compel the Student's employer (in terms of Section 23 of the NSFAS Act) to make deductions from the Student's remuneration, and pay them over to NSFAS.
- 10.10 Another option available to NSFAS if the Student fails to make repayments in terms of this agreement, is to commence legal proceedings against the Student, as envisaged in clause 9.

## 11. CESSION

The Student will not be entitled to cede, assign, transfer or delegate any of his/her rights or obligations under this agreement without the prior written consent of NSFAS. However, NSFAS will be entitled in its absolute discretion and at any time to cede, assign, transfer or delegate any or all of its rights or obligations under this agreement to

any natural or juristic person of its choice.

## 12. FORMALITIES

- 12.1 The loan agreement between NSFAS and the Student is made up of the following documents:
- 12.1.1 These Loan Conditions.
- 12.1.2 The accompanying Quotation.
- 12.1.3 The Loan Agreement Form (to be signed by the Student when the Student accepts the offer of a loan contained in the Quotation).

12.2 No variation of any provision of the loan agreement between NSFAS and the Student will be effective unless it is in writing and signed by both the Student and NSFAS.

12.3 NSFAS is entitled to sign any document making up the loan agreement between the Student and NSFAS by stamping it, or by electronic signature, as NSFAS chooses.

## 13. TERMINATION OF THIS AGREEMENT BY NSFAS

- 13.1 In terms of section 123 of the Credit Act:
- 13.1.1 NSFAS is allowed to terminate this agreement if the Student does not comply with it.
- 13.1.2 If NSFAS did want to terminate this agreement, it would have to take the steps set out in Part C of Chapter 6 of the Act.
- 13.2 However, NSFAS will not terminate this agreement. If the Student does not comply with this agreement, NSFAS will enforce its rights in terms of the agreement, rather than terminate it.

## 14. ADDRESSES FOR RECEIVING DOCUMENTS

- 14.1 Any statement or notice referred to in this agreement may be sent to the Student:
- 14.1.1 By posting it to the home address recorded in paragraph 1 of the Loan Agreement Form; or
- 14.1.2 By sending it to the Student's e-mail address recorded in paragraph 1 of the Loan Agreement Form (if applicable); or
- 14.1.3 By sending it by SMS to the Student's cellphone number recorded in paragraph 1 of the Loan Agreement Form (if applicable).
- 14.2 The Student chooses the residential home address recorded in paragraph 1 of the Loan Agreement Form as the address at which the Student will accept delivery of all pleadings or other legal processes in connection with this agreement.
- 14.3 The Student may deliver any notices or correspondence to NSFAS in terms of or relating to this agreement to the fax number or the postal or e-mail addresses recorded in paragraph 4 of the Loan Agreement Form.
- 14.4 The Student may change his/her cellphone number or home, postal or e-mail addresses by sending a notice to NSFAS by registered post, fax or e-mail.
- 14.5 NSFAS may change its fax number or postal or e-mail addresses by sending a notice to the Student in any way permitted by clause 14.1.

## 15. STATUTORY INFORMATION

On 31 May 2006 regulations were promulgated in terms of the Credit Act in the Government Gazette No. 28864. In this agreement those regulations (as amended or replaced from time to time) will be referred to as "the Regulations". They oblige NSFAS to provide certain information to the Student:

- 15.1 Complaint to the National Credit Regulator ("the Regulator")
- 15.1.1 If the Student believes that NSFAS has contravened the Credit Act, the Student may submit a complaint to the Regulator.
- 15.1.2 Any such complaint must be submitted in the form and manner referred to in Regulation 50.

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Student signature

- 15.2 Alternative Dispute Resolution As an alternative to submitting a complaint to the Regulator, the Student may refer an alleged contravention of the Credit Act by NSFAS to either:
- 15.2.1 A consumer court as defined in section 1 of the Credit Act; or
- 15.2.2 An alternative dispute resolution agent as contemplated in section 134(1)(b)(ii) of the Credit Act, for conciliation, mediation or arbitration.
- 15.3 Application to Tribunal If the Student does not succeed, by way of the alternative dispute mechanism referred to above, in resolving any dispute with NSFAS concerning an alleged contravention of the Credit Act, the Student may apply for appropriate relief to the National Consumer Tribunal established in terms of section 26 of the Credit Act ("the Tribunal").
- 15.4 Over-indebtedness
- 15.4.1 The Student is entitled to apply to a debt counsellor to be declared over-indebted.

15.4.2 Any such application must be made in the manner set out in Regulation 24.

- 15.5 Contact Details of the Regulator The Regulator may be contacted at:

15.5.1 Telephone : 0860.627.627

15.5.2 Fax: 011.554.2860

15.5.3 Website: [www.ncr.org.za](http://www.ncr.org.za)

- 15.6 Contact Details of the Tribunal The Tribunal may be contacted at:

15.6.1 Telephone : 012.394.1450

15.6.2 Fax: 012.394.2450