

# Guidelines for the awarding of loans



The Studentische Darlehnskasse e.V. grants graduate loans to entitled higher education students in order to finance their studies.

**Attention:** This leaflet serves as a first information. Please note that the application forms and the contract of loan will be issued in German language only. English copies can not be provided. The German terms and conditions apply.

## 1. Basics

The loan will only be granted to students who are enrolled at a university which is a member of the Studentische Darlehnskasse e.V. Requirements for an approval of the loan are that the student is economically needy. Currently the following universities are members of the Studentische Darlehnskasse e.V.: Alice-Solomon-Hochschule Berlin, Beuth Hochschule für Technik Berlin, bbw Hochschule, Charité Universitätsmedizin Berlin, DEKRA Hochschule für Medien, Design Akademie Berlin, Epitech Hochschule Berlin, Evangelische Hochschule Berlin, Freie Universität Berlin, Hertie School of Governance, Hochschule für Medien, Kommunikation und Wirtschaft, International Psychoanalytic University Berlin, Psychologische Hochschule Berlin, Sigmund Freud Privatuniversität, SRH Berlin, SRH Hochschule für Populäre Künste, SRH Hotelakademie Dresden, Technische Universität Berlin, Universität der Künste Berlin, Universität Potsdam and Weißensee Kunsthochschule Berlin. There exists no legal entitlement to receive the loan.

## 2. Appropriate use

The loan will only be granted for study expenditures and for immediate general living costs. It is not allowed to use the loan in order to pay off debt.

## 3. Amount & duration of the loan

The amount of the loan depends on the individual study expenditures and living costs.

The loan is paid out in monthly instalments. The maximum amount per month is EUR 750. In order to finance once-off study-related costs it is possible to apply for an extra lump sum payment of EUR 1.500. The total sum of monthly payments and the extra payment can not exceed the maximum loan amount of EUR 27.000.

The loan is paid out for 36 months maximum. The loan can also be splitted in order to receive financial support for a bachelor's and a master's degree. In those cases the monthly payments can be distributed within 48 months.

## 4. Directly-liable guaranty

To secure the loan it is necessary to hand in directly-liable guaranties of suitable guarantors or a bank guaranty. Loans with a total sum up to EUR 9.000 require one directly-enforceable guaranty. Loans with a total sum above EUR 9.000 require two directly-enforceable guaranties.

If a bank guaranty is handed in, no second guaranty is necessary. However, the bank guaranty needs to be issued 20 % higher than the total amount applied for and for an unlimited period.

Suitable guarantors are legally competent and not older than 60 years at the time of loan application. Furthermore the following must apply: German citizens and EU citizens need to have their permanent address in the Federal Republic of Germany. Non-EU citizen need to have a German permanent residence permit (issued for an unlimited period) and their permanent address in the Federal Republic of Germany. Guarantors must have a regular net income of 1.000 EUR per month minimum at their disposal. Please hand in necessary evidences at the request of the Studentische Darlehnskasse e.V. Guarantors who are self-employed hand in a copy of the current notice of income tax assessment.

Guaranties from pensioners, spouses of applicants, debtors of the Studentische Darlehnskasse e.V. and

persons having already signed a guaranty for a debtor of the Studentische Darlehnskasse e.V. are not accepted. The guaranty has to be issued on our form provided (except for bank guaranties). The signature of the guarantor on the form has to be certified by a public institution carrying an official seal or by an employee of the Studentische Darlehnskasse e.V. A copy of the identity card or passport plus proof of residency have to be handed in with the guaranty.

## 5. Loan duration and repayment plan

Loan repayments need to be paid to the Studentische Darlehnskasse e.V. at maturity. With a total loan amount up to 4.000 EUR the repayment starts with 75 EUR / month, increasing every 12 months by 25 EUR. For loans with a total amount above 4.000 EUR the repayment rate starts with 100 EUR. The first repayment rate is due six months after last loan payout. Should the loanee not be able to start repayment due to economic reasons he is required to inform us immediately. The loan repayment can be postponed for additional six months upon written request.

We also accept repayments before due date (without charging prepayment fees). The loan plus interest rates, fees and expenses must be repaid to the Studentische Darlehnskasse e.V. by no later than 13 years after payment of the first instalment.

## 6. Interest rates

The loan is charged with a fixed interest rate. The first two years an interest rate of 1 % p. a., the following three years 2 % p. a. and starting from the sixth year 4 % p. a. will be charged.

The interests will be charged on a monthly basis starting with the payment of the first instalment from the Studentische Darlehnskasse e.V. Incurred costs (overdue fines etc.) will be amortised by loan repayments prior to interest rates due. Once a year every loanee receives a transaction summary.

## 7. Application

The loan can be applied for at the Studentische Darlehnskasse e.V., Englerallee 21, 14195 Berlin using the forms provided.

The following documents need to be submitted:

- application form (fully filled in and signed)
- guaranties (see 4.)
- quotations / cost estimations regarding eventual extra lump sum payment

We advise to hand in the application during office hours or by post.

## 8. Approval & disbursement of the loan

The board of the Studentische Darlehnskasse e.V. is deciding on loan application. The decision will be communicated in writing. A contract of loan will be concluded upon approval. Loan disbursement (payout of the instalments) is starting after signing the contract of loan.

## 9. Miscellaneous

The loan applicant needs to declare his agreement to the storage and confidential usage of his personal data. The Studentische Darlehnskasse e.V. will not inform the „Schufa“ or comparable institutes upon loan approval.

## 10. Inception

These policies will enter into force on 04. Juli 2019.