

Transcript for Higher Education Loan Program (HELP) video

Getting a HELP loan is when you borrow money from the government for your studies that you will repay later. The cost of a course can vary depending on what and where you study. Before signing up for HELP, it is up to you to compare courses and costs. Do you know how much your course will cost? The cost is important because your future HELP debt can affect access to a bank or home loan.

If you get a HELP loan, you'll become liable for the fees at census date. This means that if you change your mind about a course and withdraw before the census date, you won't be charged. But after the census date, if you drop out, you will still get a HELP debt. There is a limit to how much HELP loan you can borrow. You can check how much HELP loan you have used on the My HELP Balance website.

HELP debt repayments are calculated when you do your tax return. You only make a repayment if you earn over the repayment threshold, which changes every year. Each year HELP debts are indexed; this is where an amount is added to your debt to keep up with changes in the cost of living. Indexation means your debt is likely to grow.

Hi, my name is John. I got a HELP loan because I couldn't afford to pay upfront. I finished studying and have a \$30,000 debt. My HELP debt repayment depends on how much I earn. If I earned around \$60,000 this year, then my repayment would be around \$11,200. To make it easy to make my compulsory repayment, there are amounts withheld from my regular pay. These add up over the year and are used to make my repayment when I do my tax return.

Hi, I'm Miriam. I just got a promotion at work, and my new salary is \$100,000. Now that I'm earning more, my repayment will be more too—around \$6,000. I can log in to online services through my account to see how much HELP debt I have left to pay off. I can also see how much indexation has been added each year and what my repayments have been.

A HELP loan can help you to pay for your study now, but it is a loan, so make sure you do your research about HELP and repaying a debt. HELP loans are a legal agreement, like any contract, so make sure you understand what it means before you sign up. To find out more, head to studyassist.gov.au.