



Agent Digest – Students

Welcome to a revised edition of the Department of Immigration and Border Protection's Agent Digest – covering requirements regarding access to funds specifically focussing on the current environment in India, Bangladesh and Nepal. This revised issue incorporates more guidance about an education loan.

During the recent peak, the Department saw an increase in fraudulent loan letters in these markets. I would like to take this opportunity to outline the financial requirements when applying for a student visa to study in Australia. Students must have enough money to pay for their stay and studies in Australia and this money must be genuinely available.

Alice Maclean, Director – Student and Graduate Visas

Under the Simplified Student Visa Framework, all applicants must meet the legislative requirements related to financial capacity. The legislation outlines the amount and type of funds that can be accepted and also requires that a student has genuine access to the funds.

Students subject to streamlined evidentiary requirements are not required to submit evidence of funds with their application but agents must ensure the questions in the application form about financial capacity are answered correctly. Agents are also encouraged to attach a short summary of the financial capacity of the applicant including funds available, the institution where funds are held and the source of funds. This summary is an efficient way to assure us your client meets the legislative requirements and could lead to quicker processing.

The Department can request students subject to streamlined evidentiary requirements to provide evidence of financial capacity where there are specific concerns. As such, it is important that agents continue to assess and understand the financial position of a visa applicant. It is expected that if we request this information, agents will be able to provide this information quickly.

Students subject to regular evidentiary requirements must submit evidence of their financial capacity with their application. If this evidence is not attached, the application may be refused.

Where evidence of funds is required, the applicant can provide one of the following:

- Evidence of funds for 12 months – evidence of funds to cover travel to Australia, 12 months' living costs for themselves and accompanying family members, tuition fees and schooling costs for school aged children.
- Evidence of annual income – the student can provide evidence of personal income of their parents or spouse / de facto partner of at least AUD\$60,000. The parents or spouse / de facto partner cannot be travelling with the student to Australia. The evidence must be in the form of official government documentation, such as a tax assessment.

Evidence of funds for 12 months

The following types of funds are acceptable evidence of financial capacity:

- a) money deposit with a financial institution;
- b) loan with a financial institution;
- c) government loans;
- d) scholarship or financial support.

Funds of this type must be held or issued by an acceptable financial institution. Under the legislation a financial institution must, as part of its normal activities, take money on deposit and make advances of money under a regulatory regime governed by the central bank (or its equivalent) of the country in which it operates. The Minister must be satisfied that the governing central bank provides effective prudential assurance and the institution complies with those requirements.

The amount of funds required is specified in [F2017L00267](#). Agents must check this instrument for updates. The next update will see the living costs adjusted to reflect consumer price index raises over 2016-17. The instrument specifies that the funds must cover travel expenses; living costs and expenses; and, course fees covering the first annual course fee or the total course fee if the duration of stay is less than 12 months.

In addition to having evidence of the correct amount of funds, the Department must be satisfied that the student will have genuine access to those funds.

Genuine Access to Funds

The below provides *some guidance* about things that an agent may want to consider to show the student has genuine access to any funds.

Money deposit with a financial institution

We need to be satisfied that the student has genuine access to the funds deposited with a financial institution, whether these funds are in a savings account, term or fixed deposit, or any other form. Where these funds are in another person's name, explain the relationship and provide supporting materials such as a letter of support, identity documents and documents evidencing the relationship (e.g. relationship certificates or business records).

There is no requirement that the funds be held for a specified period. However, the source of the funds are relevant for assessing if the funds are actually available to the student (and may also be relevant to GTE assessment). If the account holder is a long term customer of the bank then their banking records alone may satisfy this requirement. If they are a recent customer, then we need to see the source of the funds.

Where funds have been transferred into an acceptable financial institution but have come from another source, there will be more focus on the source of these. Supporting documents should show that the student has genuine access to these funds. For example:

- Evidence of **income** or **transfers** from another institution/account. Agents should attach more information where the record of transfer from the other institution or account is not generally reliable.
- When the money in **provident funds** is deposited into an account with an acceptable financial institution and the applicant has unrestricted access, evidence of the provident fund terms, withdrawal and amendment to fund account.
- Similarly funds transferred from an account at an institution that is the usual bank of the student or sponsor (such as a **post office account**) to a financial institution on the approved list can be supported by the account history. Where this shows that a wage has been credited into the account, this can be supported by evidence of employment.

Where the source of the money deposit is a loan disbursed from a company that does not meet the definition of financial institution, it will be much more difficult for providers, agents and the Department to be satisfied as to whether there will be ongoing access to funds. This scenario effectively requires that you provide sufficient evidence to allow an assessment of the loan process from the third party, including looking in detail at the collateral for the loan, the schedule for repayments, the capacity of the guarantor to meet repayments and any other relevant information.

Education loan with a financial institution

An education loan with an acceptable financial institution can be provided as evidence of funds. Evidence of disbursement is the best way to satisfy us that the student will have genuine access to these funds:

- Where the education loan relates to tuition fees that will be paid directly to the education provider, disbursement according to the agreement with the education provider, financial institution and student should be provided. For example, this may be for the first semester's tuition. Information about the terms of the loan, including any conditions around disbursement, should also be attached to the application.
- If the education loan includes living expenses, agents should consider showing that the first 12 months of these funds have been disbursed. Alternatively, they could consider showing that the student is relying on another source of funds to cover the first year of living costs.

Other loans with a financial institution (like personal loans)

The *best evidence* of ongoing access to a loan is the genuine disbursement of the full loan. The next best evidence would be disbursement of sufficient funds to meet the financial capacity requirement. We understand all banks can disburse loans before a visa is issued; if they choose not to do so that is a commercial decision. If a loan is not disbursed, we *may* have concerns about whether the student has genuine access to the funds. Loan letters from a financial institution should provide details of any collateral security used for the approval of the loan.

Acceptable financial institutions

Where we have evidence that an officer at a financial institution has been complicit in issuing fraudulent documentation, we will be providing this information to the central bank (for India, this is the Reserve Bank of India). While the matter is under formal investigation, we will not accept evidence of financial capacity from that financial institution. This is because we cannot be satisfied that the institution takes money on deposit and makes advances of money in a way that complies with effective prudential assurance requirements. In other words, until the investigation is resolved, we cannot be satisfied the company meets the legal definition of 'financial institution' under the Migration Regulations. This applies to all branches of the bank, not just the branch where the fraud occurs, as the prudential assurance is as a complete entity, not parts thereof.