

Note - In the case of a renegotiated or second loan, the new interest rate is applied from the first day of the month following the month in which the loan is granted.

## Repayment

Recovery of your posting loan starts in the fourth month following the month in which the loan is made. It is done through equal installments automatically deducted from your paycheck each month for the expected duration of your posting. You are, of course, free to repay the principal amount in full, without interest, before recovery commences. After recovery has started, you may renegotiate your loan once during the repayment period by making a full or partial lump sum payment. Should you cease employment before repayment is completed, your employer is entitled to recover the balance at once. Figure 6 gives a synopsis of how posting loans are recovered and shows how the number and dollar amount of monthly deductions are affected by when you apply.

## How To Apply

Applications for posting loans are submitted to the Loans Officer in APRA on form FS 10. A completed sample is illustrated in Figure 7. These forms are available from APOB or the post administrative officer. Providing they have a copy of your Posting Confirmation, your application can be dealt with as early as three months before departure. You may, of course, apply at any time during your posting but you should be aware that the loan must be repaid by the end of your posting. It normally takes 2-3 weeks before a cheque is issued or deposited into your bank account. The Loans Officer will advise you in writing of the exact recovery terms and conditions, i.e. total cost, interest rate, number and dollar amount of monthly payments.

## Should I Borrow? If So, How Much?

There are no simple answers to these very personal questions. Some people will tell you to borrow as much money as you can afford to repay. Others will advise you to borrow only the minimum you need, if you really have to borrow at all. Still others shun borrowing like they would the plague.

You are under absolutely no obligation to take out a posting loan. If you do decide to borrow, how you choose to spend the loan money is entirely your own concern. But be prepared to make some realistic decisions, do some careful planning and, if necessary, get help from the Department's Financial Counsellor in APRA, your banker or your accountant in order to find out what is a reasonable amount. For starters, though, you might like to go through the steps below and use the worksheets in Appendix C for your reckoning: