

Credit Guideline

Note: This is a translation to work with the Credit Guideline for students who do not know any or know only very little German. The legally valid version is the [German original](#).

Article I Scope

This credit guideline regulates the procedure for granting loans to students and associations from the financial resources of the student body in accordance with the [Financial Regulation of the student council §§8,9](#).

The Student Council is free, if necessary, to decide on individual cases to deviate from the provisions of these regulations or to order or approve deviations from these regulations.

Article II Object of the Loan

The purpose of the loan is regulated in §§8,9 of [Financial Regulation of the student council](#).

quote:

§ 8 Loans to students

(1) Every student registered at the Technische Universität Ilmenau may, upon proof of need, receive loans that shall not exceed a total amount of 1,800 euros per person in need. The loan is interest-free during the term. In cases of short-term indigence, the amount may be deviated from in individual cases and against a guarantee.

(2) The neediness must be demonstrated by the applicant to the person responsible for the budget. The members of the Student Council shall decide on the granting of the loan by secret ballot in a non-public meeting.

(3) There is no legal entitlement to the granting of a loan.

(4) The term of a loan shall be six months and may not exceed twelve months. The modalities of the loan shall be contractually regulated in compliance with the written form. These include at least the repayment period, repayment instalments, method of payment, reason for payment and loan amount.

§ 9 Loans to associations

(1) Any student organisation and student association registered at Technische Universität Ilmenau may receive interest-free loans for the fulfilment of the tasks specified in Section 73, Paragraph 2, Nos. 2 to 6 of the Thuringian State University Act (ThürHG); as a rule, each loan may not exceed a total amount of 10,000 euros. Exceptions shall be justified in

writing.

(2) The necessity of taking out the loan must be explained to the student council by the applicant in consultation with the person responsible for the budget.

(3) There is no legal entitlement to the granting of a loan.

(4) After the tasks have been fulfilled, loans granted must be repaid to the Student Council without delay. The modalities of the loan shall be regulated contractually in writing. These include at least the repayment period, repayment instalments, method of payment, reason for payment and loan amount.

(5) The sum of all outstanding claims from loans to student organisations and associations and students may not exceed 20% of the annual semester fees at any time.

Article III Application

Section 1 Loans to students

(1) The applicant shall attend compulsory social counselling by the Department of Social Affairs (Referat Soziales).

(2) social counselling helps the applicant to get an overview of his/her expected income and expenses during the loan period and gives suggestions on how to improve them in his/her favour.

(3) The applicant shall demonstrate in the social counselling that he/she is able to repay the loan in due time. This must be documented in writing. A copy of any supporting documents submitted - e.g. a Bafög notice - must be included in the documents.

(4) The applicant shall state his/her neediness in the social counselling.

Section 2 Loans to associations

(1) The applying association shall state in the loan application,
a) what the funds are to be used for,
b) why a loan is necessary for this and
c) what risks are involved and
d) its financial situation (equity, outstanding receivables, outstanding liabilities).

(2) Loans can only be granted for purposes corresponding to the tasks of the student body according to the ThürHG.

(3) The planned use of funds must be presented in accordance with the provisions of [Funding Guideline of the Student Council](#).

Article IV Risk Assessment and Collateral

(1) The Student Council shall only approve loans that are highly likely to be repaid on time and for which the purpose of the loan justifies the credit risk.

Section 1 Loans to students

(1) The Department of Social Affairs (Referat Soziales) shall explain to the Student Council that the applicant is able to repay the loan and which risks could prevent the timely repayment.

Section 2 Loans to associations

(1) The Department for Finances (Referat Finanzen), together with the responsible departments, assesses the credit risk on the basis of the documents submitted.

(2) Collateral is financial claims which can be used with sufficient certainty to repay the loan. This includes, for example

- a) Grants from foundations or state organisations,
- b) bank guarantees and
- c) own funds.

Article V Decision-making

(1) There shall be no legal claim to a grant.

(2) The student council shall also decide on the modalities of repayment (deadlines, instalments, method of payment) of the loan.

(3) The commitment of the loan only takes place with the execution and signing of the loan agreement by all parties involved.

Section 1 Loans to students

(1) The student council decides by secret ballot.

Section 2 Loans to associations

(1) The term shall be a maximum of 12 months.

Article VI Disbursement

(1) The Department for Finances (Referat Finanzen) shall draw up a loan agreement with the applicant.

(2) Copies of the supporting documents submitted shall be kept on file.

(3) The disbursement shall be made without cash.

(4) Payment in instalments may be agreed and the payment of instalments may be linked to the existence of further preconditions such as the submission of proof of use.

(5) No fees shall be charged for the granting of the loan.

Section 1 Loans to students

(1) The applicant (or his/her legal representative) must identify him/herself when signing the loan agreement (and prove his/her power of representation, if applicable).

Note: As a rule, the identity card should be copied and kept on file with the copy of the loan agreement for the StuRa.

Section 2 Loans to associations

(1) The loan agreement is to be signed by the legal representative, who has to prove his/her identity and his/her power of representation.

Note: In the case of associations, the executive board must sign. Each board member has to identify himself/herself once to the Referat Finance and in case of a change of board members to bring the new extract from the register of associations (a copy is sufficient).

Article VII Use and receipts

Section 1 Loans to students

No special provisions.

Section 2 Loans to associations

(1) For all expenditures made from the loan funds, proof of use shall be kept in accordance with the provisions of the [Funding Guideline of the Student Council](#) as well as the financial plan shall be updated as required in accordance with the provisions from the [Funding Guideline of the Student Council](#).

Article VIII Repayment

(1) Repayment in the agreed instalments shall be made without interest and without cash to the current account of the Student Council.

(2) If the repayment is not made on time, a reminder will be sent with four weeks' notice. Thereafter, interest on arrears will be due in accordance with BGB §§288 and the Student Council will be entitled to immediate, extraordinary termination.

(3) If the debtor is in arrears, dunning proceedings will be initiated. The Student Council reserves the right to assign the claim to a collection agency or to commission such an agency.

Section 1 Loans to students

(1) A set-off of the loan repayment with open claims against the student council is inadmissible.

Section 2 Loans to associations

(1) If the loan is linked to shortfall financing according to the [Funding Guideline of the Student Council](#) as collateral, the loan repayment may be offset against the outstanding claim against the student council from the settled shortfall financing.

(2) If the outstanding claim from paragraph 1 is disputed or reduced by the student council, the loan repayment shall be continued without delay and the reduced amount shall be applied in the case of a set-off according to paragraph 1.

Note: If the settled funding is reduced, the corresponding amount must be paid back from the loan.

(3) Other offsets in the repayment of the loan are only permissible with the prior written approval of the Student Council.

Article IX Whereabouts and Financial Update

(1) The debtor shall notify the Student Council in writing without delay if he/she intends to transfer or has transferred his/her permanent residence. If, as a result of the transfer, a domestic residence of the student is moved abroad or the last domestic residence is abandoned, the Student Council shall be entitled to reclaim the debt immediately.

(2) The debtor shall inform the Student Council in writing without delay if his/her financial situation changes in such a way that it is likely that the repayment cannot be made or cannot be made in full on time or if the securities presented at the time of application undergo substantial changes. In this case, the Student Council is entitled to demand immediate repayment of the debt.

(3) The debtor shall immediately update the addresses and contact details of his/her legal representative deposited with the Student Council.

Article X Extraordinary Termination

(1) The Student Council is entitled to immediate, extraordinary termination if the borrower fails to fulfil his contractual obligations and thereby jeopardises the collection of the loan.

Article XI Data Protection

(1) Copies of identity cards, powers of representation and documents from the social counselling service shall be kept for a period of one year after repayment of the loan or one month after the rejection of the loan application. If these are documents from publicly accessible registers (e.g. excerpt from the register of associations), the period from sentence 1 is quintupled.

(2) The storage according to paragraph 1 shall be carried out for the purpose of verification in the event of a challenge, within the framework of legal supervision or auditing by the finance committee.

(3) The storage according to paragraph 1 for documents from social consultations which do not originate from publicly accessible registers shall take place in a lockable cabinet.

Article XII Entry into Application

This guideline shall enter into force after the Student Council has passed a resolution.

Adopted by the Student Council of the TU Ilmenau at its meeting on 29.10.2014.

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