

Analysis on the Online Loan of College Students under the Background of “Internet +”

Xin Luo

Oxbridge College, Kunming University of Science and Technology, Kunming, China

Keywords: Campus loan, “internet +”, College students, Countermeasures

Abstract: As a new product of the rapid development of “Internet +”, campus network loan, to a certain extent, adapts to the trend of social change and meets the capital needs of college students in their study, entrepreneurship and life, but it also causes serious harm to college students. It leads students to go astray, and has a great impact on their consumption view, cognition view, the world outlook and outlook on life. Therefore, it is necessary to take multiple measures simultaneously and comprehensively to avoid the risk of bad campus network loans in a timely and effective manner.

1. Introduction

The network has been integrated into the life and study of college students. Network loan, a convenient and fast online loan method based on the network, is becoming popular on campus. Different kinds of advertisements can be seen in Wechat Moments, QQ space, Microblog and other channels. Various problems caused by online loan frequently appear in university campus. The number of students who are eroded by this cancer is increasing gradually, which affects the healthy growth of students as well as the security and stability of campus. Therefore, it is urgent to educate students and prevent bad network loan on campus.[1]

2. The Current Situation and Characteristics of Campus Network Loan of College Students

Nowadays, college students choose campus network loan mainly for three purposes. The first is to pay tuition fees and basic living expenses; the second is to use the loan as the venture capital; the third is to consume, even for unreasonable and bad purposes. According to the direction of loans lent by network platforms, most reasons belong to the third category. Because of their young age and limited experience, students in school want to keep up with each other. The campus network loan platform can lend money to students easily, which virtually encourages students' comparing mentality and consumption desire, leading to serious excessive consumption and luxury consumption.[2] Campus network loan platforms usually provide P2P cash loan and physical installment payment; the basic characteristics are as follows.

2.1 Fast and Convenient Transaction

Online lending uses the Internet to collect, sort, classify and publish resources on the platform in time, which saves the time of borrowing. This process only needs a software platform; no fixed workplace is needed, which undoubtedly reduces the transaction cost.

2.2 The Transaction Threshold is Low and There is No Need of Mortgage in Most Cases

Compared with the complex bank loan procedures and face-to-face operation, network loans only need to download the software and upload relevant documents to find suitable resources. The platform provides different types of loan for borrowers, which has practical advantages.[3]

At present, the term of most online loans does not exceed two years, and most of them need to repay monthly. Distant water cannot quench present thirst; students need to repay their debts immediately before they can make money after employment. Among students who satisfy their desire for consumption through online loan, some are unwilling to let their parents know that they have excessive consumption behaviors. Some students encounter difficult economic problems in

school life. For other students, their families have financial difficulties. It can be seen that the parents of these students usually do not know the online loans of their own kinds. Therefore, even if these students cannot return the money, they will think of other ways to solve the problem, rather than telling their parents.

3. The Harm of Campus Network Loan of College Students

The rise of campus network loan in colleges and universities reflects the strong influence of Internet finance, and also reflects the change of college students' consumption concepts. However, there are also risks hidden behind it, which can cause great harm to students who borrow the money.

3.1 Infringement on the Legitimate Rights and Interests of Students

Campus network loan is becoming more and more common, which infringes on the legitimate rights and interests of college students. First, the examination procedure of campus loan is not strict, and the application procedure is simple. Generally, only the information of students' identity card and student card is needed. Through this way, the personal information of students can be mastered by online lending enterprises. In the absence of industry supervision and moral self discipline, students' personal information can be sold to financial fraud gangs and telecommunication fraud gangs easily, causing serious trouble to students.[4] Second, lending platforms are attractive and deceptive. Most of them use "low interest rate" or even "zero interest rate" and other false propaganda to attract students to borrow the money. But in fact, they charge high fees and service fees. Once students fail to repay the loan on time, they will reap profits. Students have to bear heavy default costs. Third, the bad record of repayment in online loan may cause personal credit crisis, which has a negative impact on students' future life.

3.2 Misleading Students to Form Wrong Consumption Habits and Concepts

The Internet age brings convenience to people, but it also derives a series of impulsive consumption and conformity consumption habits. Many college students are just beginning to live independently and consume independently. They don't have much life experience, and they often pay attention to comparing with their classmates. Students from ordinary families will try their best to pay for their comparing mentality. Network loan companies find out these characteristics of college students, and use false advertising to induce students. Over time, such a wrong way of consumption can become a habit. The concept of consumption has gradually changed.

3.3 Bringing Great Psychological Pressure to Students

Online text games often make students fall into the trap of "usury" without knowing it.[5] The high interest and overdue fine will become several times, tens of times and even hundreds of times of the principal as time goes on. Students may find that the more they pay the more debts they owe, and finally fall into the trap. When encountering violent dunning, students often think of solutions like doing part-time jobs, asking parents for help, and even paying back the loan by another loan. But the debt of several thousand yuan eventually turns into tens of thousands of yuan. In the face of such difficulties, students often face great psychological pressure. Long term depression is the cause of psychological diseases. Students may show insomnia, depression and other symptoms, or even commit suicide. This seriously impacts on students' life and learning; some students with poor psychological qualities tend to go to extremes.

3.4 Impacts on Learning

In the initial stage of campus loans, students often try their best to repay the loans, such as doing part-time jobs, borrowing money from their friends, or tricking their parents to provide more allowances. They have no time on their own studies; their academic performance may suddenly decline. But with the passage of time, the pressure of repayment tends to be more and more serious. Loan collection companies will force students to repay through "telephone bombing" and "cyber manhunt". At that time, most students have to suspend their studies; their parents intervene

to deal with the debt. However, the bad influence that has spread to the whole school. More students will choose to drop out to avoid the impact of the incident.

4. Countermeasures to College Students' Campus Network Loan

4.1 The Government Should Strengthen the Management of Network Loans

As the manager of network loan platforms, the financial supervision department should cooperate with the public security department as well as the industrial and commercial administration department to strictly manage network loan companies. On the one hand, it should raise the access threshold of online loan platforms to ensure the legitimacy of these companies. Once losing their legal identity, illegal online lending institutions will find that it becomes more and more difficult to cheat college students. On the other hand, the financial supervision department should supervise the audit and certification links, formulate specific regulations, and intensify the efforts to fight against false advertisements of online lending platforms, such as “zero down payment”, “zero interest”, “student card plus ID card” and “payment in three minutes”. The scope of network operation is wide, and the legislation of network loan is not perfect in China. Therefore, the state should establish a sound legal system, increase the effort of supervising and managing network loan platforms, so as to reduce their illegal operations.[6]

4.2 College Students Should Establish Healthy Consumption Concepts

In order to deal with the campus network loan, college students should establish a correct consumption concept. The consumption should be rational; they can only buy things within their own consumption ability. Blind consumption and comparing mentality must be avoided. Meanwhile, college students should cultivate the spirit of diligence, thrift and hard work. They should study hard, rather than pursuing pleasure. In addition, college students should also improve their awareness of risk prevention. Online advertisements are not reliable; students need to understand some professional financial knowledge to avoid being cheated by bad online loans. Finally, if the student encounters financial difficulties in school, he should also seek help from the school and get loans through regular channels.

4.3 Parents Should Set an Example and Play an Exemplary Role

Family education is the main factor which determines a kid's personality. Parents should cultivate students' concept of self-reliance from their childhood. They should educate their children to obtain what they want through their own efforts, play an exemplary role, and pass on the correct values and consumption views. At the same time, parents should also communicate more with their children, understand their life situation and pay attention to their improper consumption behaviors, so as to timely find out the problem when their children fall into the trap of online loan.

4.4 Universities Should Strengthen Education on Financial Knowledge for College Students

In view of the current situation that college students do not have enough financial knowledge, the school should actively play the main role of education, offering elective courses related to financial security, carrying out financial knowledge competition, and holding financial knowledge lectures and other activities. Through these measures, college students can not only acquire basic financial knowledge, but also increase their risk awareness, and keep a clear mind in the face of various temptations of online lending. At the same time, schools can carry out financial education by setting up elective courses, offering lectures, decorating billboards, posting slogans, holding campus loan knowledge competitions and holding debates, so as to guide students to acquire knowledge on finance and loan. The school can also spread knowledge on safety education and legal education with the theme of “preventing campus loan fraud”. Through sharing real cases, students can understand the hazard of bad “campus loan” intuitively. The high risk of “loan” reminds students to keep a clear mind, acquire relevant knowledge, and learn to use legal weapons to protect their legitimate rights and interests.

5. Conclusion

Through the above analysis, it is clear that we cannot shift the responsibility of avoiding bad online loans to college students. The healthy development of campus loan needs the joint efforts of the whole society. Colleges and universities should strengthen the education on preventing financial risks, and share online loan cases with students, so as to enhance students' self discipline awareness. Through measures of self management, self education and self protection, it is believed that students can keep away from network frauds created by campus loan companies.

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