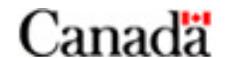




National Student Loans Service Centre (NSLSC)  
CanLearn.ca



# Repayment Seminar



# Repaying your loan: Six things you need to know:

1. What are the benefits of Government Sponsored Student Loans?
2. What is Non-Repayment Period?
3. What is a Consolidation Letter?
4. How can you save money?
5. How can you avoid repayment difficulties?
6. How can you maintain your student loan?

# Must-know # 1: Government Sponsored Student Loans?

- With one application to the Provincial Government, you are assessed for both Provincial and Federal loans and grants.
- You are not charged interest while you are in school.
- You do not have to repay the grants\*.
- You do not have to make payments for six months after you leave school.
- You can make payments at any time without penalty.
- There are programs designed to assist you if you have difficulty repaying your loan.
- Interest on your government sponsored student loan is tax-deductible

\* Provided you maintain eligibility

## Must-know # 2: What is Non-Repayment Period?

- **Non-Repayment Period** is the six month period after you leave full time studies (*This six month period of time is also referred to as "Grace Period"*).
- **Interest will** accumulate on your **Canada Student Loan** and **may** accumulate on your **Provincial Loan** during this period.
- During this period you can make payments.
- No interest is charged if you return to full-time studies before your Non-Repayment Period ends.

# Must-know #3: What is a Consolidation Letter

Consolidation means:

That the loans that you have taken out each year are gathered together into one amount for you to pay back.

A month before your loan consolidates you will receive a **Consolidation Letter** which outlines the details of your student loan.

## National Student Loans Service Centre

PLEASE TYPE OR PRINT IN BLOCK LETTERS  
(Version française disponible sur demande)

This is a revision of terms of a Consolidated Student Loan Agreement  Yes  No

### CONSOLIDATED STUDENT LOAN AGREEMENT AND REPAYMENT FORM

NATIONAL STUDENT LOANS SERVICE CENTRE P.O. BOX 4030 MISSISSAUGA, ONTARIO L5A 4M4 1 888 815-4514	DATE «TapeDate»
	PHONE NUMBER (BORROWER) «PhoneNum»
Borrower's full legal name and address: «First_Name» «Last_Name» «Address1» «Address2» «City» «Prov» «PostalCode» «Country»	DATE OF BIRTH (DAY/MONTH/YEAR) «BirthDate»
	SIN «SDN»

<b>SUMMARY OF REPAYMENT DETAILS: «Program1»</b>			
Principal Balance:	«PrinCipal1»	Loan Number:	«LoanNum1»
Capitalized Interest:	«GraceInt1»	Interest Method:	«IntMethod1»
Principal plus Capitalized Interest:	«PrinGraceInt1»	Effective Interest Rate:	«PrimeInt1»
Outstanding Interest Owed:	«OSIntOwe1»	Amortization Period:	«Term1» months
First Payment Due Date:	«FirstPayDate1»		
Payment Frequency:	«PayFreq1»		
Monthly Payment Amount:	«Monthly1»		

Interest will be calculated at a floating interest rate of Prime + «2.5%». \* Prime is currently «Prime1».  
 \*If you have a Canada-Ontario Integrated Student Loan, the floating interest rate on the Ontario portion of your loan will be calculated at Prime + 1%.  
 \*If you have a Canada-Newfoundland and Labrador Student Loan, starting August 1, 2009, no interest is charged on the Newfoundland and Labrador portion.

**REPAYMENT OPTIONS AVAILABLE TO YOU**

If you would like us to make changes to your repayment details outlined above, please check the appropriate option(s) below:

Please increase my Monthly Payment Amount to \_\_\_\_\_.

I wish to make a lump sum payment of \$\_\_\_\_\_.  Please debit my bank account (noted below) or  I have attached a cheque.

I would like to pay the Capitalized Interest amount referred to in the *Summary of Repayment Details* section above.

Please debit my bank account (noted below) for the Capitalized Interest amount or  I have attached a cheque.

I would like to reduce my Amortization Period to \_\_\_\_\_ months.

**IMPORTANT: LUMP SUM AND CAPITALIZED INTEREST PAYMENTS WILL BE DEBITED WHEN THIS AGREEMENT IS RECEIVED**

(Please Note: A reduction in your amortization period proportionately increases your monthly payment. Should you select this option, a revision of terms outlining your new repayment terms will be mailed to you.)

**FIXED INTEREST RATE OPTION**

You have the option of selecting a fixed rate of interest of Prime + 5.0% on your student loans\*. Please note that once you have chosen a fixed interest rate, the floating rate option is no longer available. Choosing this option may increase your monthly payment from the amount shown on this document. If you wish to choose a fixed rate of interest please contact the National Student Loans Service Centre. A new Consolidated Student Loan Agreement will be mailed to you showing your new monthly payment amount due to this change in interest rate.

\*Note: The fixed rate option is not available on the Ontario portion of a Canada-Ontario Integrated Student Loan

**PRE-AUTHORIZATION PAYMENT PLAN INFORMATION**

The following account is on file at our office.  
 Bank: «BankCode» - «BankName»  
 Transit: «Transit» Account: «AccountNum»

I do not wish to use the Pre-Authorized Payment Plan for my student loan payments. Payments are to be made payable to the National Student Loans Service Centre.

Please set me up on pre-authorized payment/change my Payment Account Information to (please attach a void cheque):

Bank \_\_\_\_\_ Transit \_\_\_\_\_ Account \_\_\_\_\_

Name and Signature of account holder:  
 Printed Name: \_\_\_\_\_ Signature: \_\_\_\_\_

To change the day of the month that your payment is due or if you do not have sufficient income to make your payments please contact the National Student Loans Service Centre at the address or phone number provided above.

**IMPORTANT: ADDITIONAL TERMS AND CONDITIONS OF REPAYMENT OF YOUR STUDENT LOANS ARE SET OUT ON THE REVERSE OF THIS DOCUMENT. PLEASE READ THEM CAREFULLY BEFORE SIGNING THIS FORM. YOUR SIGNATURE ON THIS DOCUMENT MEANS YOU HAVE ACCEPTED ALL THE TERMS AND CONDITIONS OF REPAYMENT AND AGREE TO REPAY YOUR LOAN IN ACCORDANCE WITH THESE TERMS AND CONDITIONS.**

Date \_\_\_\_\_

Signature \_\_\_\_\_

Please return a signed copy of this Consolidation Agreement to the National Student Loans Service Centre.

## Must-know #3 : What is a Consolidation Letter?

Your Consolidation Letter summarizes your repayment terms and presents you with a number of options. You can choose:

- to pay off the interest that accumulated during your non-repayment period, or add it to your loan balance
- a floating or fixed interest rate
- how long you will take to repay your loan and
- how you wish to submit monthly payments

If you have any questions or would like to discuss options please contact the NSLSC.

# Must-know #3 : What is a Consolidation Letter?

## First Decision: Non-repayment period interest

### Option 1: Capitalize the interest (add it to your loan)

- Advantage: You will not have to immediately pay off the interest if you do not have the money available.
- Disadvantage: This will increase the total amount of your loan, so you will pay more interest over time.

### Option 2: Pay it off

- Advantage: non-repayment period interest won't be added to the amount of your loan so your payments will be lower.
- Advantage: You will be able to claim the interest you pay on your income tax return.
- Disadvantage: You will have to make a lump sum payment at the time of consolidation.

# Must-know #3 : What is a Consolidation Letter?

## Second Decision: Type of Interest Rate

Your province will also have an interest rate on their portion of the loan, please review handout for calculation.

On the Canada portion of your student loan you can choose to have a floating or a fixed interest rate

Choosing a Floating interest rate means:

- Your interest rate will be set at the prime rate plus 2.5%. (Canada)

Choosing a Fixed interest rate means:

- Your interest rate will be set at the prime rate plus 5%. (Canada)
- + The rate will not change during your repayment period.

## Must-know #3 : What is a Consolidation Letter?

### Third Decision: Setting the length of your repayment

You can choose any length of time to repay your student loan, up to a maximum of 14.5 years. (Most borrowers take 9.5 years.)

#### Shorter Repayment Term

- Choosing a shorter repayment term means:
  - + You will pay less interest overall.
  - Your monthly payments will be larger.

#### Longer Repayment Term

- Choosing a longer repayment term means:
  - + Your monthly payments will be smaller.
  - You will pay more interest overall.

You can adjust your terms any time during your repayment.

## Must-know #3 : What is a Consolidation Letter?

### Fourth Decision: Payment Options

Your first payment is due on the last day of the month of Consolidation.  
*(The last day of the 7<sup>th</sup> month after the end of full-time study)*

Your Consolidation Agreement allows you to set-up, confirm or change pre-authorized payments.

If you do not wish to have pre-authorized payments deducted from your account, you can make your payments by:

- Telephone banking
- Online banking
- Cheque or Money Order

## Must-know # 4: How can you save money?

To save money in interest charges, borrowers can repay their loan before the end of their repayment term without penalty by:

- Making payments while in school.
- Making payments during non-repayment period.
- Paying an amount larger than the minimum monthly payment calculated for their term.
- Making weekly or bi-weekly payments.
- Making lump sum payments.

## Must-know # 4: How can you save money?

Based on a \$25,000 loan, a prime rate of 3% and a floating interest rate, the chart below demonstrates potential savings using common repayment strategies. *\* Provided interest remains stable throughout repayment.*

	Do Nothing	Increasing Minimum Payments by \$20/month	Making \$250 lump sum payments once a year	Making payments every two weeks
<b>Payment Amount</b>	\$289.80 monthly	\$309.80 monthly	\$289.80 monthly, plus one \$250 payment/year	\$144.90 every two weeks
<b>Number of months you will need to repay your loan</b>	114	106	105	102
<b>Total interest payable over the life of your loan</b>	\$8,037.20	\$7,194.20	\$7,097.07	\$7022.90
<b>Total interest savings</b>	<b>\$0.00</b>	<b>\$843.39</b>	<b>\$940.13</b>	<b>\$1014.30</b>

## Must-know # 5: How can you avoid repayment difficulties?

Missing a loan repayment has serious consequences.

- Your credit rating could be affected, making it more difficult to obtain a loan, a mortgage or purchase a car.
- You could have difficulty getting more loans or grants for future studies.
- Your loan could be transferred to the Canada Revenue Agency for collection. Your tax return refunds could be used to put towards your student debt.
- **Before** you miss a payment, the best thing you can do is contact the NSLSC, who can provide you with advice and options.

# Must-know # 5: How can you avoid repayment difficulties?

## Option: The Repayment Assistance Plan

- If you qualify for the Repayment Assistance Plan, you will not be required to make a student loan payment above an affordable level.
- An Affordable Payment is calculated based on your income and family size. As a result, the payment could be lowered or put on hold until you can afford it.
- You must **apply** for the Repayment Assistance Plan through the NSLSC every six months — enrolment is not automatic.

## Must-know # 5: How can you avoid repayment difficulties?

Using the **Repayment Assistance Estimator** on the CanLearn.ca website you can approximate your Affordable Payment based on your loan, income and family size.

Repayment Assistance Results	
Federal Affordable Payment	\$40.74
Provincial Regular Payment	\$27.16
Total Affordable Payment	\$67.90
Expected Monthly Payment	\$271.32

Example: A single borrower with no dependents who has a \$25,000 student loan and a gross income of \$2000/month.

**Please note:** Estimates provided are approximate. Final repayment amounts will be determined upon application to the Repayment Assistance Plan (RAP).

# Must-know # 5: How can you avoid repayment difficulties?

## Option: Revision of Terms

Allows borrowers to adjust their monthly payment temporarily or for the remaining term of the loan.

- You can **lower payments** by:
  - making interest-only payments (limited to two 6-month terms).
  - adjusting the term up to the maximum 174 months (14.5 years).
- **Differs from the Repayment Assistance Plan**
  - All borrowers are eligible for Revision of Terms regardless of debt and income level.
  - Payments are required each month.

# NSLSC ~ Online

## Accessing the National Student Loans Service Centre online

- The National Student Loans Service Centre (NSLSC) Web site provides round-the-clock access to information on your Canada Student Loans.
- For access, go to **CanLearn.ca** and click on the National Student Loans Service Centre link.



***NSLSC's On-Line Services: access your student loan account(s) 24/7 with the NSLSC On-Line Services***

# NSLSC ~ Online

## Finding your account number

- Your account number is located on all correspondence from the National Student Loans Service Centre.
  - You can also find out your account number by calling the NSLSC call centre at **1-888-815-4514** and answering some security questions.

**National Student Loans Service Centre**  
P.O. Box 40301  
Mississauga, Ontario L5A 4M4

**March 17, 2008**

Logan Parker  
2345 Spruce Ave  
Ottawa, ON K1A 0B1

*Your Canada Student Loan Account Number: 5-678912*  
*Your Canada-Ontario Integrated Student Loan Account Number: 5-678913*  
*Your Canada-Saskatchewan Integrated Student Loan Account Number: 5-678914*  
*Your Canada-Newfoundland and Labrador Integrated Student Loan Account Number: 5-678915*  
*Your Canada-New Brunswick Integrated Student Loan Account Number: 5-678916*

# On-line RAP Application

- **The borrower applies online through their NSLSC account, by selecting “Repayment Assistance”**
- **Applicant is guided step-by-step through the questions**
- **Questions are dynamic; based on system- known data and the applicant’s answers**
  - **e.g., The applicant selects ‘married/common-law’, which prompts the system to ask about their partner’s government student loans.**

The screenshot displays the NSLSC website interface. At the top, there are logos for the Government of Canada and the Government of Canada in French, along with the Canada wordmark. The main header features a red maple leaf and the text 'National Student Loans Service Centre (NSLSC)' with the website address 'www.canlearn.ca'. Below the header is a navigation bar with links for 'Français', 'Home', 'Contact Us', 'Help', 'Search', and 'canada.gc.ca'. The breadcrumb trail reads 'Main Page > Repayment Assistance > Repayment Assistance - Residency and Family Information'. On the left side, there is a vertical menu with options: 'Your Loan Account', 'Your Disbursement History', 'Confirm Your Enrolment', 'Personal Message Centre', 'Your Contact Information', 'Change Your Password', 'What Are My Repayment Options', 'Customize Your Repayment Terms' (highlighted with a red box), 'Repayment Assistance', and 'Sign Out / Return to CanLearn.ca'. The main content area is titled 'Repayment Assistance - Residency and Family Information' and contains the following text: 'First, we need some information about you and your family. Please answer the following questions:'. The first question is 'Are you currently residing in Canada? (required)' with a dropdown menu set to 'No'. The second question is 'What is your marital status? (required)' with a dropdown menu set to 'Married/Common Law'. The third question is 'What is the number of people residing with you permanently, including yourself, spouse/common law partner and dependants? (required)' with an empty text input field. The fourth question is 'Are you permanently disabled? (required)' with a dropdown menu set to 'No'. At the bottom of the form, there is a 'Next' button and a link to 'Repayment Assistance - Residency and Family Information - Definition of Terms'. The footer of the page includes the text 'Proactive Disclosure'.

## To keep your loans in good status make sure that you:

1. Review your Consolidation Letter.
2. Keep your contact information current with the Service Provider.
3. Let the NSLSC know if you are having difficulty making your loan payments.
4. Check your loan balances regularly using the NSLSC online service, which can be found at [www.CanLearn.ca](http://www.CanLearn.ca).
5. Keep all the documents that you receive by mail, in one place.
6. If you return to school, notify the NSLSC. This ensures your loan returns to interest-free status while in school full-time.

## *Contact Information*

**Thank you for your time  
and attention.**

**Take Control of Your Student Loans!**

**National Student Loans Service Centre**

P.O. Box 4030

Mississauga, ON

L5A 4M4

[www.canlearn.ca](http://www.canlearn.ca)

Toll Free: 1-888-815-4514

TTY: 1-888-815-4556

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