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Canada Student Loans Program

# Annual Report

2009-2010



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Canada Student Loans Program

# Annual Report

2009-2010



# Message from the Minister



Our Government is committed to having the most educated, most skilled workforce in the world. This is vital to our economic recovery, global competitiveness and future success.

Investing in education is critical to economic growth. For this reason, I am especially proud to mark a successful year of change for the Canada Student Loans Program (CSLP).

As a result of our Government's measures, more students are now, more than ever before, eligible to receive financial assistance to manage the cost of their post-secondary education.

In the 2009-2010 academic year, the CSLP provided financial assistance to over 500 000 students. Over half of those students, 290 000 to be precise, also received Canada Student Grants—an increase of more than 150 000 students from previous federal grant programs. Grants are available to low- and middle-income students, students with disabilities and students with dependents.

In addition, more than 160 000 borrowers benefited from the new Repayment Assistance Plan, which allows those who have difficulty repaying their loan to pay back only what they can reasonably afford.

In Budget 2011, our Government continues to deliver on its commitment to invest in post-secondary students. Upcoming changes will allow full-time students to increase their earnings while they study without affecting their eligibility for loans. We will also broaden eligibility for loans and grants available to part-time students.

Investing in our students is important, both today and tomorrow. The improvements to the CSLP made over the last year—and those to come—are making post-secondary education more accessible to a greater number of Canadians and ultimately, creating positive change for Canada.

A handwritten signature in black ink that reads "Diane Finley". The signature is fluid and cursive, with a large, stylized 'F'.

The Honourable Diane Finley, P.C., M.P.  
Minister of Human Resources and Skills Development





# Vision and Mission

## Human Resources and Skills Development Canada (HRSDC)

HRSDC's mission is to build a stronger and more competitive Canada, to support Canadians in making choices that help them live productive and rewarding lives, and to improve Canadians' quality of life.

To do this, we:

- develop policies that make Canada a society in which all can use their talents, skills and resources to participate in learning, work and their community;
- create programs and support initiatives that help Canadians move through life's transitions—from families with children to seniors, from school to work, from one job to another, from unemployment to employment, from the workforce to retirement;
- create better outcomes for Canadians through service excellence with Service Canada and other partners; and
- engage our employees, establish a healthy work environment, nurture a culture of teamwork, and build our leadership capacity.



We are committed to excellence in what we do:

**For People** - as we serve Canadians with a focus on accountability and results.

**Through Partnerships** - as we work with Canadians to find innovative ways to develop and deliver the policies and programs they need.

**Through Knowledge** - generating, contributing, and sharing knowledge effectively to support and inform decision-making.

### The Canada Student Loans Program (CSLP)

The CSLP's mission is to create a skilled, adaptable and inclusive labour force by providing students loans, grants and repayment assistance and informing students and their families of the costs and benefits associated with post-secondary education as well as financing options available to students.

# Program Highlights

## 2009-2010: A Year of Change

The Government of Canada took action to increase the financial resources available to Canadian students and their families, including important program changes allowing more Canadians to benefit from student financial assistance.

2009-2010 marked the successful implementation of the new Canada Student Grants Program, which consolidates non-repayable student financial assistance into one program. This new program provides more effective support to more students for more years of study, assisting Canadian families who struggle with the cost of higher education and making education more accessible to lower- and middle-income families by offering grants based on family and student income.

In addition to these new grants, the Government also made significant changes to repayment assistance measures for borrowers facing difficulty with the repayment of their student loans. As of August 2009, both the Interest Relief and Debt Reduction in Repayment programs were replaced by the Repayment Assistance Plan (RAP). As RAP is based on the principle of affordable payment (borrowers will never have to make payments exceeding 20% of their income and no loan repayment period will exceed 15 years), more Canadians are now able to access repayment assistance.

Further to Budget 2008's commitment to help more students with permanent disabilities attend universities, colleges, trade schools and career colleges, several program changes went into effect in 2009-2010, such as:

- recognition of previous assessments of permanent disability in determining eligibility for specific debt-management measures so that students will not have to repeatedly submit documentation;
- all qualifying student loan borrowers will have access to compassionate loan forgiveness due to permanent disability during repayment, no matter when their loans were received, and no matter when the disability occurred; and
- provision of a new Repayment Assistance Plan for borrowers with a Permanent Disability who do not qualify for immediate loan forgiveness.

The need for student financial assistance was particularly acute in 2009-2010, as just over 50% of student borrowers said that the economic downturn had affected them financially and that they would have had to change their study plans had they not received a Canada Student Loan<sup>1</sup>.

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<sup>1</sup> Phoenix Strategic Perspectives Inc., *Client Satisfaction Survey, March 2010*.

## Canada Student Grants and Canada Student Loans Programs at a Glance

2009-2010 brought significant improvements in student financial assistance to Canadians:

### Non-Repayable Grants

- The 2009-2010 loan year saw the successful implementation of the new Canada Student Grants Program (CSGP), through which \$593 million in grants was disbursed.
- With the implementation of the CSGP approximately 290 000 students received grants, an increase of 150 000 students as compared to previous federal grant programs.

### Student Loans

- In 2009-2010, the CSLP provided approximately 402 000 full-time students from the ten participating jurisdictions with \$2.1 billion in loans<sup>2</sup>.
- 2 698 loans worth \$4.6 million were issued to part-time students in 2009-2010. As a result of the new measures supporting part-time studies implemented in August 2009, the number of loans issued almost doubled from 2008-2009 (1 425).

### Repayment Assistance Measures

- While the vast majority of borrowers repay their loans in full and on time, some require assistance. Under the new Repayment Assistance Plan (RAP), the CSLP supported over 160 000 borrowers who experienced difficulty repaying their loans in 2009-2010. This represented an increase of approximately 27 000 borrowers as compared with the number of borrowers who were eligible under the previous Interest Relief and Debt Reduction in Repayment programs in 2008-2009.

### Support for Students with Permanent Disabilities

- As announced in Budget 2008, the first year of implementation of improved student financial assistance for students with disabilities included over 18 000 Canada Student Grants for Students with Permanent Disabilities and 2 000 approved applications for the Repayment Assistance Plan for Students with Permanent Disabilities.
- 435 borrowers had \$5.7 million worth of loans forgiven under the Permanent Disability Benefit.

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<sup>2</sup> Participating jurisdictions refers to all provinces and territories except for Quebec, the Northwest Territories and Nunavut.



# Introduction

This annual report informs Parliament and Canadians of the student financial assistance provided by the Canada Student Loans Program (CSLP) to Canadians accessing post-secondary education in the 2009-2010 loan year (August 1, 2009, to July 31, 2010), and focuses on the substantial changes and achievements that occurred in 2009-2010.

In addition to this report, an online statistical review of the CSLP for the 2009-2010 loan year is also available. This online source provides a comprehensive view of the Canada Student Loans Program and contains frequently consulted data on federal student financial assistance, including year-over-year comparisons, where applicable.<sup>3</sup>

The statistical review can be found on the HRSDC Website at the following link :  
[http://www.hrsdc.gc.ca/eng/learning/canada\\_student\\_loan/Publications/index.shtml](http://www.hrsdc.gc.ca/eng/learning/canada_student_loan/Publications/index.shtml)

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<sup>3</sup> Year-over-year comparisons for the Canada Student Grants Program and the Repayment Assistance Plan will only be available in 2010-2011. For information on the previous student grants and repayment assistance measures, please refer to previous annual reports, which can be found on the HRSDC Web site:  
[http://www.hrsdc.gc.ca/eng/learning/canada\\_student\\_loan/Publications/index.shtml](http://www.hrsdc.gc.ca/eng/learning/canada_student_loan/Publications/index.shtml)

# Setting the Context

Since its introduction in 1964, the Canada Student Loans Program (CSLP) has provided close to \$34 billion in student loans to more than 4.7 million students. In addition, since 1995 the CSLP has provided approximately 1 million non-repayable grants to students totalling \$1.6 billion, helping the Government of Canada meet its objective to provide accessible and affordable post-secondary education. The CSLP's clients are Canadians with financial need, such as low- and middle-income Canadians, students with disabilities, and students with dependents. Many of these students would be unable to access post-secondary education without student financial assistance programs such as the CSLP.

Throughout CSLP's 46-year history, the Government of Canada has introduced timely policy revisions that have been instrumental in facilitating access to post-secondary education (PSE) and services to students.

The 2009-2010 year brought significant changes to the CSLP's policies and programs. This report highlights the changes to the program that were announced in Budget 2008, and took effect August 1, 2009.

The need for student financial assistance was particularly acute in 2009-2010, as many families experienced financial hardship because of the economic downturn, and youth were less able to find employment to help finance their education.<sup>4</sup>

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<sup>4</sup> EKOS Research Associates, *2009 Survey of Canadian Youth*, September 2009.



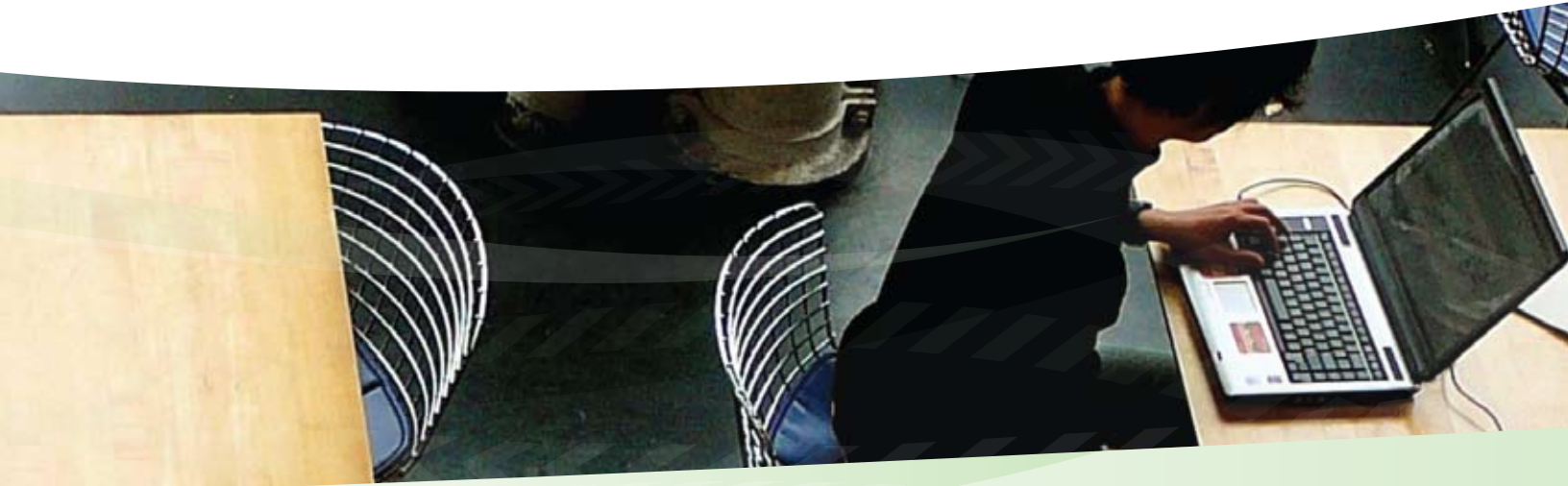
## What we offer

The CSLP offers a suite of student financial assistance programs and services, including Canada Student Loans for full-time and part-time students, non-repayable grants, and repayment assistance measures for borrowers who experience difficulty repaying their loans.

In keeping with the goal of promoting access to post-secondary education, the Government of Canada pays the interest on student loans for full-time study while borrowers are in school, and loan repayment is not required until six months after studies are complete.

In August 2009, the Government of Canada introduced the Canada Student Grants Program, which offers non-repayable grants to eligible students, including those from low and middle-income families, with permanent disabilities and/or with dependants. This new grant program replaced Canada Study Grants, Canada Access Grants and grants previously offered by the Canada Millennium Scholarship Foundation.

In addition, the Government of Canada also improved the repayment assistance it offers to Canada Student Loan borrowers experiencing difficulty repaying their loans. The Repayment Assistance Plan was implemented and replaced both the Interest Relief and Debt Reduction in Repayment programs.



## Delivering our programs to Canadians

Prior to August 2000, loans were disbursed to students by financial institutions on behalf of the Government of Canada, first under a “guaranteed loans” regime (1964-1995) and then under a “risk-shared” regime (1995-2000). As no new loans are being provided under these regimes, all existing guaranteed loans are expected to be phased out by 2020, and risk-shared loans are expected to be phased out by 2029.<sup>5</sup>

Since August 1, 2000, Canada Student Loans have been issued under the direct loans regime. In 2000, the *Canada Student Financial Assistance Act* was amended to allow the Government of Canada to finance loans directly through the CSLP. The amended Act allows the CSLP to have greater control over the repayment process and to be able to offer non-repayable grants. Until borrowers finish repaying loans from the previous regimes, a small percentage of borrowers may hold Canada Student Loans from more than one regime and make separate payments for each:

- In 2009-2010, 84.1% of the loans in the CSLP loan portfolio belonged to the direct loans regime, while 15.5% belonged to the risk-shared regime and 0.4% to the guaranteed loans regime.

The Government of Canada works in partnership with participating provincial and territorial governments<sup>6</sup> to deliver student financial assistance to Canadian students. Applicants for federal and provincial loans and grants are assessed through a single application process. For students receiving loan funding for full-time study, roughly 60% is funded by the CSLP and 40% by provincial or territorial student loan programs.

To further simplify the loan process for students and to increase efficiency, the CSLP has been working with provinces to integrate the CSLP and provincial loan programs to provide a one-student, one-loan approach. As a result of integration agreements with four provinces—Ontario, Saskatchewan, Newfoundland and Labrador, and New Brunswick—about two-thirds of Canada Student Loans borrowers can manage and make payments on their federal and provincial loans at the same time, to the same place. In 2009-2010, the CSLP began negotiations with the province of British Columbia to establish an integration agreement, which will increase the number of borrowers benefiting from the one-student, one-loan approach.

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5 Office of the Chief Actuary, *Actuarial Report of the Canada Student Loans Program at 31 July 2009*, Ottawa, 2010, [http://www.osfi-bsif.gc.ca/app/DocRepository/1/eng/reports/oca/cslp\\_2009\\_e.pdf](http://www.osfi-bsif.gc.ca/app/DocRepository/1/eng/reports/oca/cslp_2009_e.pdf).

6 Quebec, Nunavut and the Northwest Territories do not participate in the CSLP, but receive alternative payments from the Government of Canada to operate their own student financial assistance programs.

The CSLP contracts a private-sector Service Provider to manage borrower accounts, which operates under the name “National Student Loans Service Centre” or NSLSC.<sup>7</sup> The NSLSC is the main point of contact for borrowers in managing their loans and it serves them throughout each phase of the loan cycle, from loan disbursement to repayment and repayment assistance. Borrowers in integrated provinces deal with the NSLSC as a single point of contact for their federal and provincial student loans.<sup>8</sup>

## Creating awareness of post-secondary education options

Through various outreach initiatives, the CSLP informs students and families of the costs and benefits associated with post-secondary education as well as financing options available to students. The CSLP also works to improve awareness of the Government’s programs for students who have traditionally faced barriers in accessing post-secondary education.

The CSLP’s main information dissemination tool is the CanLearn.ca website, which is the Government of Canada’s online source for information to help Canadians save, plan and pay for their post-secondary education. CanLearn.ca also links to the NSLSC website, which allows borrowers to view and monitor details of their loans.

In 2009-2010, the CSLP raised awareness about its various initiatives across Canada through presentations and training, exhibit activities, campaigns, online resources, and the development of toolkits, publications and reference material. For example, seminars were held to help students plan for repayment, and presentations were made at financial aid conferences to inform educational institutions of upcoming program changes. In addition, a CSLP/CanLearn.ca exhibit was displayed across the country at education fairs, career fairs and stakeholder conferences.

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7 In 2009-2010, the service provider was Davis + Henderson.

8 For loans issued under the risk-shared and guaranteed loan regimes, a borrower’s financial institution acts as their point of contact.

# Program Results

The CSLP provides assistance to students throughout the entire life cycle of their loans and offers students several repayment options once they have completed their studies. In 2009-2010, 503 000 students received a loan, grant or interest subsidy from the Government of Canada through the CSLP.

This chapter reports the amount of financial assistance provided to students in the form of grants and loans, as well as who received these funds and where they attended school for 2009-2010. In addition, this chapter provides an overview of those who began repaying their loans in 2009-2010, including information on the use of repayment assistance measures by those borrowers having difficulty repaying their loans.

***2009-2010 saw the successful implementation of the new grant program, through which the CSLP disbursed \$593 million in grants.***



## Canada Student Grants Program

In Budget 2008, the Government of Canada announced it would be creating a new, consolidated Canada Student Grants Program (CSGP).

This new grant program replaces Canada Study Grants, Canada Access Grants and grants previously offered by the Canada Millennium Scholarship Foundation. The CSGP includes grants for low- and middle-income students, full- and part-time students, students with disabilities and students with dependants.

The CSGP was designed so that students know up front how much money they will receive and when—a significant departure from the previous, less predictable granting system. Grants are no longer based on the size of a student's loan, but on family income, which better reflects the particular financial circumstances facing the borrower. Students' eligibility for a Canada Student Grant is assessed at the time the student applies for loans using the same application.

Students from low and middle-income families qualify based on a set of defined income levels (the low- and middle-income thresholds are adjusted to reflect the cost of living in each province and for different family sizes.) The new program provides \$250 each month in grants for students from low-income families and \$100 a month for students from middle-income families. The program also provides full-time low-income students with dependants an additional grant that provides more up-front money (\$200 per month for each dependant under 12).

Canada Student Grants are also available for students with permanent disabilities. Students with a permanent disability can receive a grant of \$2,000 for the school year and those who require special services and/or equipment can receive up to \$8,000 in additional funding. Students who wish to apply for the Grant for Students with Permanent Disabilities or the Grant for Services and Equipment for Students with Permanent Disabilities need to provide additional documentation when they apply for a Canada Student Loan in order to be assessed for these grants.

The number of grants distributed in 2009-2010 rose by almost 150 000 as compared to the previous year, while their overall value rose by \$371 million. These increases were the result of changes in eligibility requirements for the CSGP compared with the previous Canada Study Grants and Canada Access Grants. In 2009-2010, 367 309 grants were provided to 289 522 students.

The following table summarizes the distribution of each type of grant offered through the Canada Student Grants Program for 2009-2010.

Type of Grants*	Value of Disbursements 2009-2010	Number of Grants 2009-2010
<b>Full-Time Studies</b>		
For students with dependants	\$66.3 million	28 212
For students from low-income families	\$353.4 million	190 083
For students from middle-income families	\$60.9 million	83 341
For students with permanent disabilities	\$33.8 million	18 185
Transition Grants**	\$52.1 million	35 089
For students with permanent disabilities - equipment and services	\$22.1 million	8 099
Millennium Excellence awards**	\$245,750	39
<b>Total full-time grants</b>	<b>\$588.9 million</b>	<b>363 048</b>
<b>Part-Time Studies</b>		
For part-time students	\$4.36 million	4 147
For students with permanent disabilities	\$111,060	114
<b>Total part-time grants</b>	<b>\$4.47 million</b>	<b>4 261</b>
<b>Total grants</b>	<b>\$593.4 million</b>	<b>367 309</b>

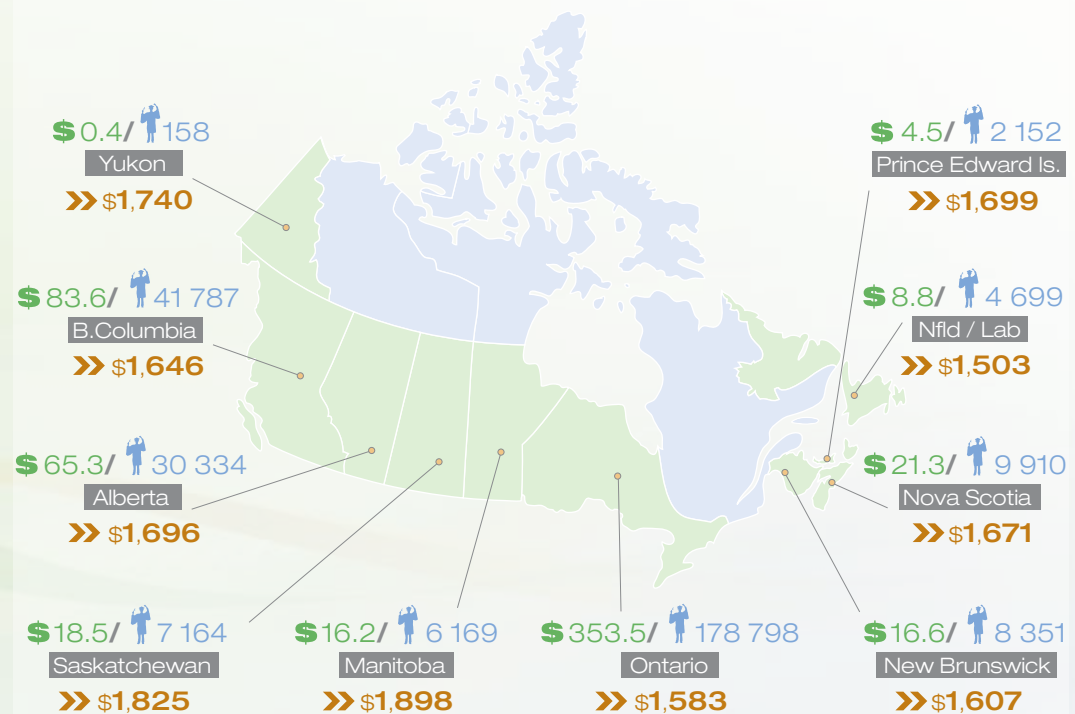
Note: a student may receive more than one type of grant.

\*Please refer to Glossary for a complete description of the grant.

\*\*Please refer to Appendix B, the Canada Millennium Scholarship Foundation section for further details.

## Full-Time Grants Disbursement by Province / Territory

The map below illustrates the national distribution of the \$589 million in grants provided for full time studies in 2009-2010.



### Full-Time Grants Disbursement 2009-2010 Loan Year

Number of Students 289 522  
 Amount Disbursed (\$M) 589.0  
 Average Grant Value >> \$1,622

Value of Grants (Millions) Number of Students (Thousands) >> Average  
 Loan Year: August 1st to July 31st

This chart does not include grants provided for part-time studies.

## Canada Student Loans

Canada Student Loans are available for eligible Canadian students enrolled in a degree, diploma or certificate program at any designated post-secondary educational institution. To be eligible, a student must be a permanent resident of a province or territory that issues Canada Student Loans. Approximately 38% of all full-time post-secondary students in participating jurisdictions received a Canada Student Loan in 2009-2010.

In 2009-2010, the CSLP provided \$2.1 billion in loans for full-time studies to 401 734 students. This is an average of \$5,186 per recipient and does not include the amount of provincial or territorial loans that a student may also have received. Canada Student Loan recipients are provided with interest subsidies, whereby the Government of Canada pays the interest on their loans while they are enrolled in school full-time.

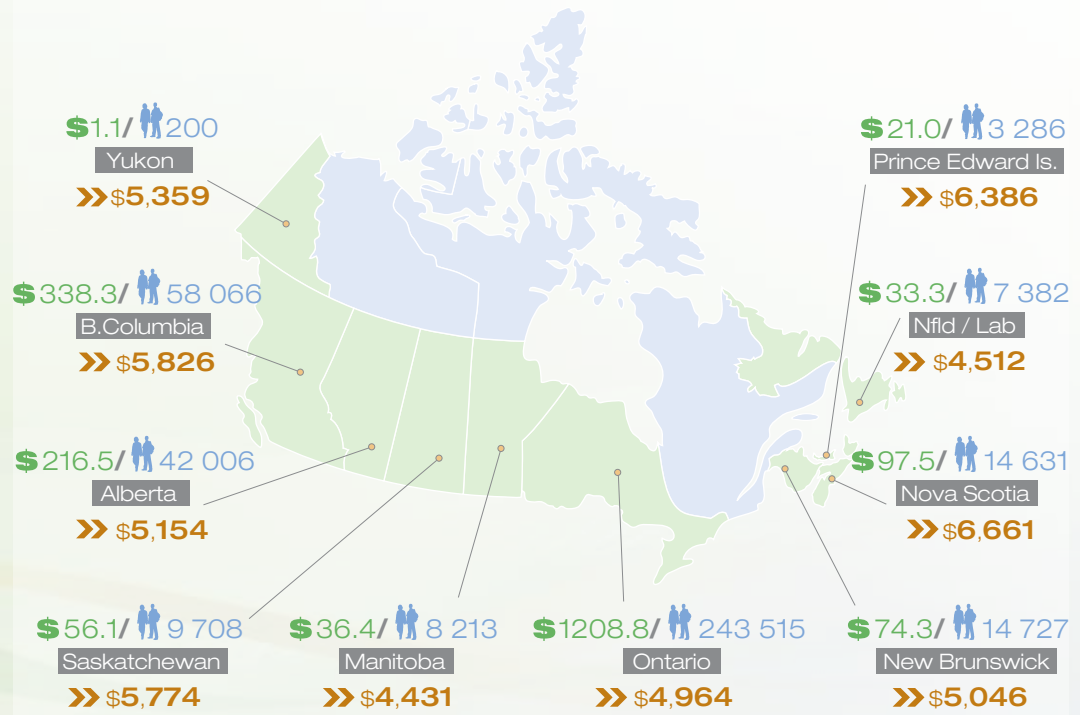
A further \$4.6 million in Canada Student Loans for part-time study was provided to 2 698 students in 2009-2010.

As the following image shows, in 2009-2010, over half of full-time Canada Student Loans were disbursed to students from Ontario (58%), while 16% went to students from British Columbia, the next largest participating province. The number of students receiving Canada Student Loans for full-time study increased by 10% compared to the previous year. The increase in number of Canada Student Loans recipients was highest in Alberta (19%), followed by British Columbia and Ontario which increased by 13% and 11% respectively.

In 2009-2010, students from Nova Scotia had the highest average Canada Student Loan amount (\$6,661), while those in Manitoba and Newfoundland and Labrador borrowed, on average, the least (\$4,431 and \$4,512, respectively).



## Full-Time Loans Disbursement by Province / Territory



### Full-Time Loans Disbursement 2009-2010 Loan Year

Number of Borrowers 401 734

Value of Loans (\$M) **\$** 2,083.2

Average Loan Value **>>>** **\$5,186**

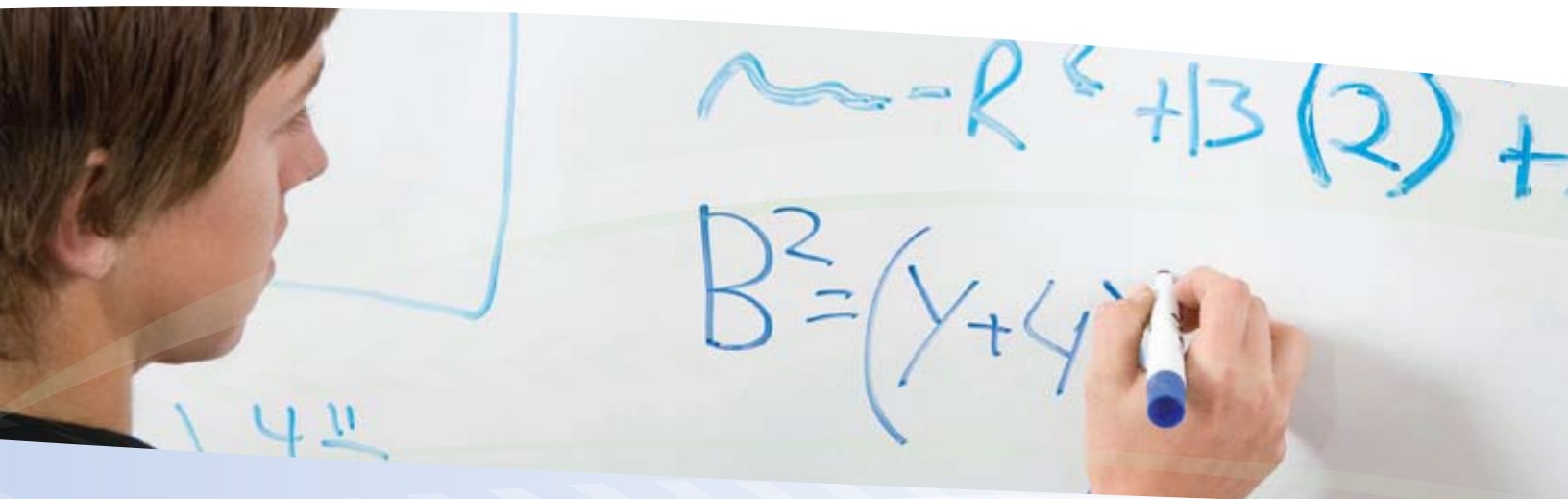
**\$** Value of Loans (Millions) Number of Borrowers (Thousands) **>>>** Average

Loan Year: August 1st to July 31st

## Where do borrowers go to school?

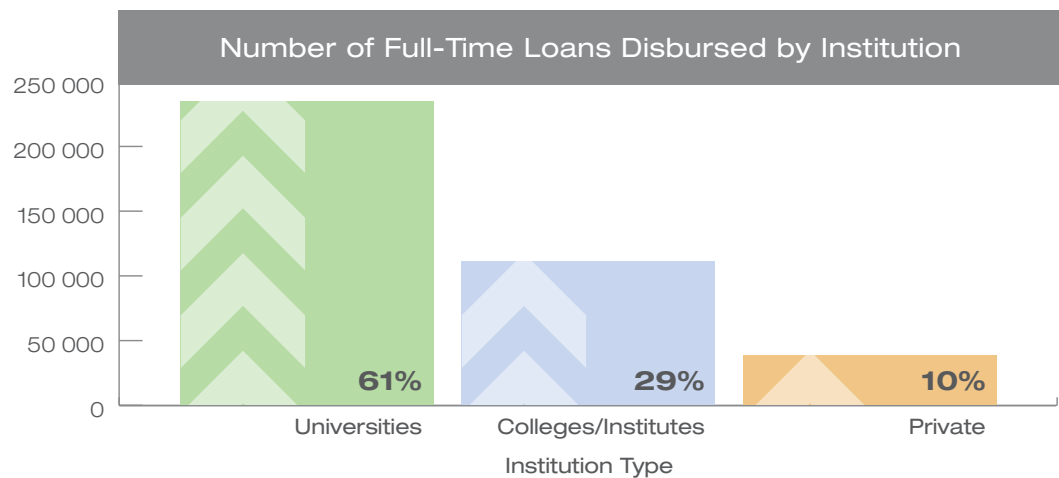
The Government of Canada provides Canada Student Loans to eligible students for study at any designated post-secondary education institution. While most students remain in their home province or territory, some choose to study elsewhere. In 2009-2010, 11% of students receiving Canada Student Loans chose to study outside their home province or territory, consistent with the trend of the previous years. Student borrowers from large provinces were less likely to study outside their home province; for example, only 6% of Canada Student Loan recipients from Ontario studied outside their province. Conversely, students from smaller jurisdictions are more likely to use their Canada Student Loan at an institution outside their home province: 85% of student borrowers from Yukon and 40% of students borrowers from Prince Edward Island studied outside their home jurisdiction in 2009-2010.

Regionally, borrowers in Atlantic Canada who left their home province to study tended to remain within Atlantic Canada, while those in Western Canada tended to either stay in their region or attend post-secondary institutions in Ontario.



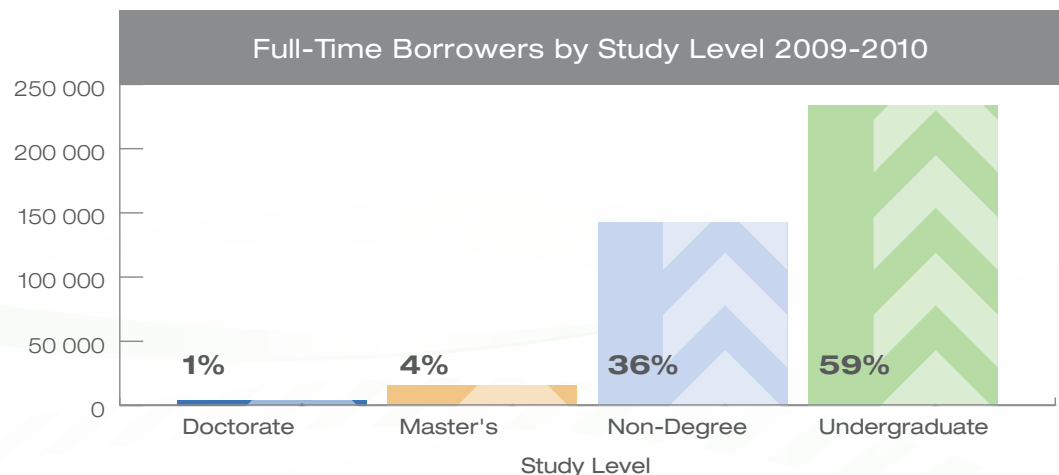
## What types of institutions do borrowers attend?

In 2009-2010, 61% of full-time student borrowers attended university, 29% attended college and 10% attended a private institution. These numbers remained virtually unchanged from 2008-2009. The size of the average loan disbursed in 2009-2010 continued to be highest among borrowers attending a private institution (\$7,176) and lowest among college attendees (\$4,474).



## What study level are borrowers enrolled in?

Most full-time student borrowers (59%) were enrolled in undergraduate degree programs, while 36% were enrolled in non-degree-granting programs at private institutions, colleges or universities. Five percent of full-time student borrowers were masters or doctoral students. These proportions are similar to those from 2008-2009.



## Loan repayment and repayment assistance

Canada Student Loans, like any loan, must be repaid by the borrower. However, unlike traditional bank loans, interest only begins to accumulate on a Canada Student Loan for full-time study after the student's studies have been completed, and no payments are required in the first six months. These features are designed to make post-secondary education as affordable as possible for students and their families.

Loans are typically scheduled to be repaid through monthly payments over a 114 month (9.5 year) period, but borrowers may choose to pay more quickly or to extend the payment period, up to a maximum of 14.5 years.

This section offers a profile of Canada Student Loan borrowers in repayment in 2009-2010 and discusses the default rate. It also outlines the various measures the CSLP employs to assist students in repaying their Canada Student Loans, and how borrowers benefited from these measures.



## 2009-2010 Canada Student Loan balance profile

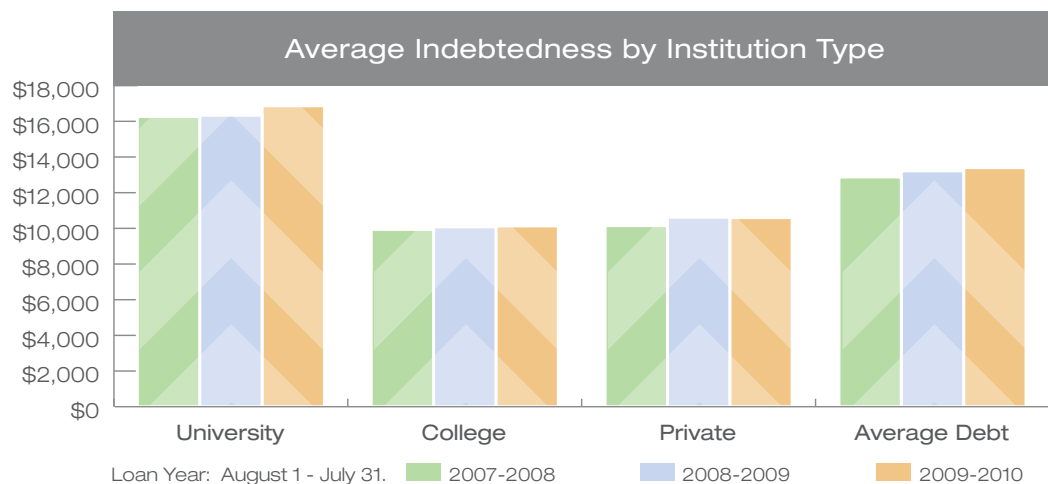
Loan balances refers to the amount borrowers owe once they begin repaying their loans. This includes any interest that accrues in the six months between the time borrowers complete their studies and the time they consolidate their loans. This amount of interest is added to the principal of the loan balance. It is important to note that the loan balances described here reflect only the federal portion of a student loan. Borrowers may also have student loans from a province or territory.

Students who began repaying their Canada Student Loans in 2009-2010 had an average loan balance of \$13,404<sup>9</sup>. Overall, 49% of borrowers held a Canada Student Loan balance lower than \$10,000; 29% had a balance between \$10,000 and \$20,000, while 22% owed over \$20,000. The loan balance accrued by a student varies according to a number of factors related to the student's particular needs. These include choice of institution and program of study.

Choice of post-secondary educational institution type plays a large role in influencing students' loan balances. In 2009-2010, the average loan balance of university students (\$16,872) was higher than that of college students (\$10,135) and of borrowers attending private institutions (\$10,602). This difference is partly because university programs tend to take longer to complete than college or private educational institution programs. Although borrowers attending private educational institutions on average receive more in loans per year (\$7,176 in 2009-2010) than their university and college counterparts, they typically accumulate less overall debt because they are in school for shorter periods of time.

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<sup>9</sup> This average debt does not include the amount of any provincial or territorial loan that a student may have received.



Loan balances also differ by province or territory of residence. Compared to 2008-2009, the average student loan balance in 2009-2010 increased the most for borrowers from New Brunswick (\$714 increase); they declined somewhat for borrowers from Newfoundland and Labrador (\$391 decline) and British Columbia (\$303 decline).

- In 2009-2010, students from Manitoba had the lowest average student loan balance at \$10,999, while students from Prince Edward Island and Nova Scotia had the highest average loan balance (\$16,595 and \$16,520, respectively).

### Default rate remained steady in 2008-2009<sup>10</sup>

Human Resources and Skills Development Canada (HRSDC) continues to work to reduce the default rate on Canada Student Loans. The majority of defaults occur within three years of entering repayment. The CSLP uses the three-year cohort default rate as a main indicator of the performance of the Canada Student Loans portfolio. This rate compares the value of the loans that enter repayment in a given loan year (cohort) and default within three years to the value of all the loans that entered repayment in that cohort.

Between 2003-2004 and 2008-2009, the default rate fell from 28% to 14.7%. This decline was observed across all institution types, and was most significant for students at colleges/ institutes (14.5 percentage point decline).

<sup>10</sup> 2009-2010 default rate will be available in the 2010-2011 Annual Report.

Canada Student Loan Three-Year Cohort Default Rates					
2003-04	2004-05	2005-06	2006-07	2007-08	2008-09 <sup>P</sup>
28.0%	19.4%	16.6%	15.8%	14.7%	14.7%

A loan is deemed in default when it is in arrears for greater than 270 days under the direct-lending regime (roughly equivalent to missing nine monthly payments).

The three-year default rate is defined as the ratio of the cumulative amount of all loans deemed in default for the period covering the year of consolidation and the subsequent two years, to the total amount of all loans consolidated in that year.

P: Preliminary

During the 2009-2010, loan year the CSLP continued to implement measures to improve repayment and reduce default, such as the new Canada Student Grants Program, which provides up-front non-repayable assistance to reduce overall debt levels of borrowers, and the new Repayment Assistance Plan (RAP), which ensures that no borrower will face an unaffordable monthly payment.

The vast majority of students repay their loans fully and on time. For 2008-2009, the three-year default rate on Canada Student Loans is projected to remain steady at 14.7%. For those who experience difficulty in repaying their loans, the CSLP has several repayment assistance measures available.



## Repayment Assistance

As of August 2009, the Repayment Assistance Plan (RAP) has been available to borrowers who are having difficulty repaying their Canada Student Loans. This plan makes it easier for student borrowers to manage their debt by paying back what they can reasonably afford.

RAP replaces the previous Interest Relief and Debt Reduction in Repayment programs. Under this new plan, thousands of additional borrowers now qualify for assistance each year. Borrowers who were approved for Interest Relief and Debt Reduction in Repayment before August 1, 2009, may continue to receive benefits from these programs until the end of their approved periods. However, they now also have the option of applying for RAP.

Student loan borrowers experiencing difficulty in repayment may apply for assistance under RAP, which is designed to help them repay their loan within 15 years. Eligibility is based on the borrower's family income, family size and outstanding loan balance. Borrowers are approved for a period of six months and have the option to re-apply at the end of each six-month period. RAP consists of two stages:



### During Stage 1:

- Student loan borrowers who qualify will make affordable payments (which may be zero payment for some borrowers) toward their loan principal. Paying the loan principal first reduces the total debt.
- The Government of Canada will cover the interest amount owing that the borrower's calculated affordable payment does not cover.
- Borrowers will not make payments exceeding 20% of their income toward loans covered by RAP.

If a borrower requires further assistance after having received 60 months of RAP assistance during Stage 1, or has been in repayment for 10 years, the borrower may qualify for Stage 2 of RAP.

### During Stage 2:

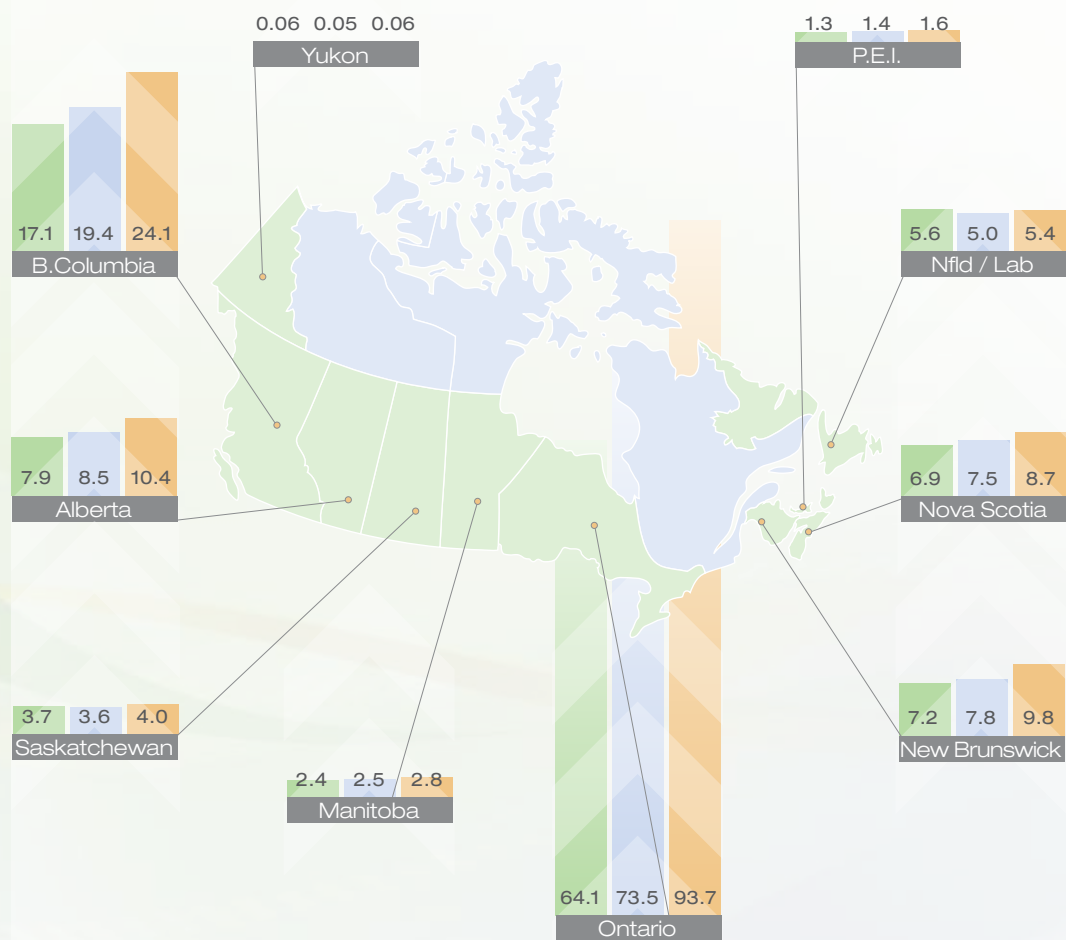
- The Government of Canada will continue to cover interest payments and will begin to cover the principal of the loan not met by the borrower's affordable payment.
- The balance of the loan is to be gradually paid off so that no student loan debt remains after 15 years (or 10 years for persons with permanent disabilities).

In 2009-2010, RAP supported 160 572 borrowers who experienced difficulty repaying their loans. This represented an increase of approximately 27 000 borrowers as compared to the number of borrowers who were eligible for repayment assistance under Interest Relief and Debt Reduction in Repayment combined in 2008-2009.

The program allowed 143 821 borrowers to make no payments and the Government of Canada paid the interest on their loans. Furthermore, the new Repayment Assistance Plan also helped an additional 12 228 borrowers by reducing their payments to an affordable level.

Furthermore, 2 418 Canada Student Loan borrowers benefited from RAP Stage 2. In addition to not paying interest, these borrowers had part of their principal balance reduced.

## Repayment Assistance Measures by Province / Territory\*



### CSLP Borrowers (Thousands) Benefiting from Repayment Assistance Measures 2007-2008 to 2009-2010 Loan Year

■ 2007-2008 (IR)   
 ■ 2008-2009 (IR)   
 ■ 2009-2010 (RAP)

\*In addition to the borrowers (displayed above) who benefited from Interest Relief approximately 2 800 borrowers received Debt Reduction in Repayment in 2007-2008 and a further 3 000 in 2008-2009.

## Repayment Assistance Plan for Borrowers with a Permanent Disability

The Repayment Assistance Plan for Borrowers with a Permanent Disability (RAP-PD) is available to borrowers with a permanent disability who are having difficulty repaying their student loans. Like RAP, RAP-PD makes it easier for student loan borrowers to manage their debt by paying back what they can reasonably afford. It is delivered in six-month increments.

Student loan borrowers have to apply for RAP-PD in order to qualify, and eligibility is based on family income, family size, permanent disability, disability-related expenses, and outstanding loan balance. While evidence of a permanent disability only needs to be provided once, to qualify for RAP-PD borrowers must reapply for each new assistance period and must continue to meet the other eligibility requirements.

Under RAP-PD:

- Loan payments are based on income, ability to pay and disability accommodation costs (uninsured medical expenses, special care and other expenses).
- Borrowers will not make payments exceeding 20% of their income.
- In certain cases, borrowers may not have to make any loan payments until their income increases.
- The Government of Canada will cover interest payments and cover the principal of the loan not met by the borrower's affordable payment.

No borrower with a permanent disability should have a repayment period longer than 10 years after leaving school.

- In its first year, RAP-PD supported 2 106 borrowers with permanent disabilities. In addition to saving interest, these borrowers had part of their principal balance reduced.

## Permanent Disability Benefit

In very particular cases, some borrowers with a permanent disability may be eligible for loan forgiveness. The Permanent Disability Benefit makes it possible to cancel the repayment obligations of borrowers who have a severe permanent disability and are experiencing financial difficulty in meeting their repayment obligations.

In 2009-2010, 435 borrowers had \$5.7 million worth of loans forgiven.

## New measures to support full-time and part-time students

In addition to the new grants program and the Repayment Assistance Plan, program changes were implemented to increase the support available to part-time and full-time students.

### Support for part-time students

Part-time students are no longer required to start repaying interest accumulating on their student loan while they are in study, and are now able to defer payment on their loan principal and accumulated interest until six months after their studies are completed.

Furthermore, in 2009-2010, the maximum total amount of loans available to part-time students rose from \$4,000 to \$10,000 per student, reflecting increasing educational costs and the reality that most part-time studies require more time for completion.

- In 2009-2010, 2 698 loans were issued to part-time students. This was almost double the number of loans issued in 2008-2009 (1 425), and represented an overall increase of \$1.8 million over the same period.

## Support for full-time students

Changes were also made to increase support to full-time students who had reached the maximum allowable number of weeks of student financial assistance (i.e. 340, 400 or 520 weeks depending on the loan regime under which they received their loans). Previously, students in this situation were required to begin repayment even if they were continuing full-time studies.

Under the new regulations, full-time student borrowers who reach their maximum weeks of assistance are now able to continue their studies without having to begin repaying their loans until six months after they finish.<sup>11</sup>

## Modernizing service delivery

The CSLP is working to streamline and modernize the Program, reflecting a Budget 2008 commitment to improve service for students. In collaboration with provincial/territorial partners, the CSLP is working towards implementation of a service delivery vision, aimed at providing students with simple, easy-to-manage access to financial assistance. Measures include improved online services, simplified application and repayment processes, and improved communication with students.

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<sup>11</sup> Upon reaching this maximum, interest will begin to accrue on their loans, and borrowers will not be entitled to additional assistance in the form of new loans, grants or interest-free periods.



# Measuring Program Performance

The Canada Student Loans Program (CSLP) is a statutory program offering loans, grants, and repayment assistance measures to post-secondary students. The CSLP is responsible for ensuring that these measures are assisting Canadian students effectively, and that taxpayers' investment in the Program is properly managed. The CSLP regularly measures and reports on:

- client satisfaction;
- awareness of student financial assistance;
- portfolio performance;
- program integrity; and
- program evaluation.

## Client satisfaction

The Client Satisfaction Survey is used to assess borrowers' satisfaction with the services related to their Canada Student Loan, including services provided by the CSLP directly, and those provided by the NSLSC.

- In 2009-2010, 78% of borrowers surveyed said they were satisfied with the overall quality of the CSLP's services, up from 74% in 2008-2009.
- Some 77% of borrowers surveyed were satisfied with the quality of service provided by the NSLSC. As client satisfaction is an important objective for the CSLP, the contract with the service provider that operates the NSLSC is performance-based and contains an incentive for increasing borrower satisfaction. For detailed findings on satisfaction with the NSLSC, see **Appendix C**.

## Awareness of student financial assistance

The CSLP strives to ensure borrowers are aware of the details of their loans and the specific options available to them when they begin repayment. In 2009-2010, 83% of borrowers surveyed found their repayment options to be clear.<sup>12</sup>

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<sup>12</sup> Phoenix Strategic Perspectives Inc., *Client Satisfaction Survey, March 2010*.

## Portfolio performance

The CSLP constantly monitors the Canada Student Loans portfolio to ensure that loans are being repaid, and not entering default. The three-year cohort default rate has decreased significantly from 28% in 2003-2004, to 14.7% (preliminary) in 2008-2009.

The CSLP works with its Service Provider to improve services to borrowers to help them avoid default through:

- Early outreach informing borrowers of their repayment requirements and assistance options available to them.
- Communications campaigns targeted to borrowers who withdraw from studies early.
- Online counselling sessions for borrowers when they take a loan and when they enter repayment to reinforce repayment obligations.

Furthermore, the CSLP Service Provider's performance-based contract provides an incentive for default reduction, allowing the Service Provider to earn additional payments if it meets certain targets related to the default rate. Among other actions, the service provider will contact borrowers who are statistically more likely to default to offer them loan counselling before their first scheduled payment.

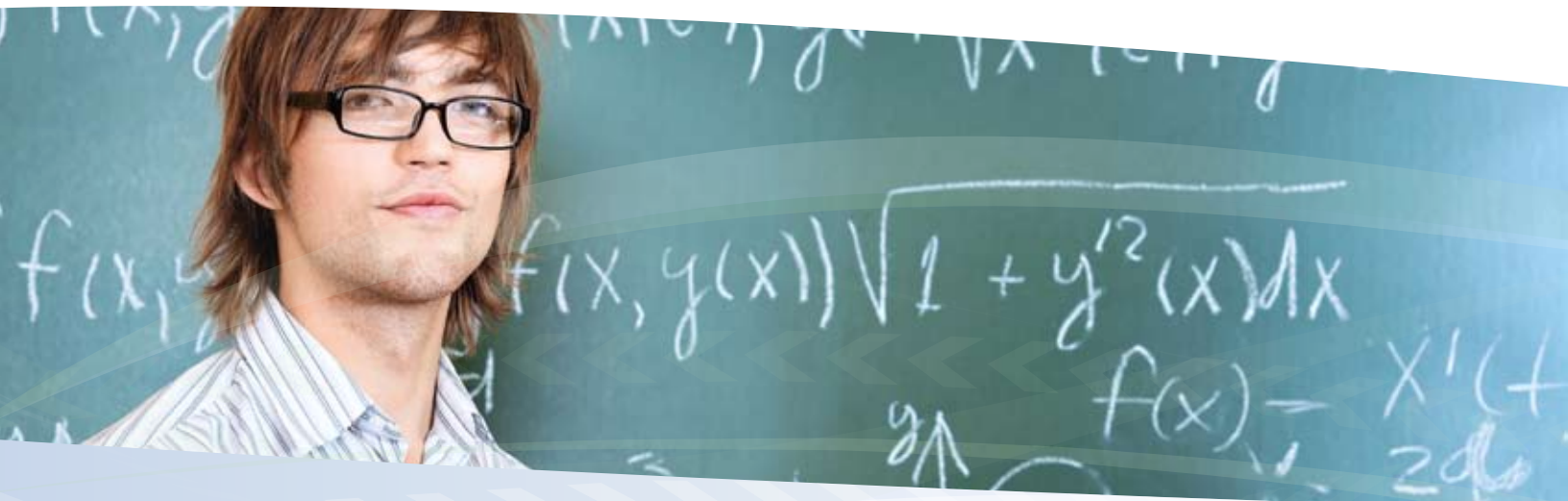


## Program integrity

The CSLP strives to safeguard the integrity of the Program and protect the investments made by borrowers in their post-secondary education. Safeguarding integrity means ensuring that all aspects of the Program are operating within the legal framework of the *Canada Student Financial Assistance Act* and the *Canada Student Loans Act*.

The CSLP has in place a number of policies and activities to ensure the program's integrity:

- The Designation Policy Framework establishes pan-Canadian criteria for designation—the process whereby post-secondary educational institutions are deemed eligible for student financial assistance programs (i.e., students can apply for student financial assistance if they will be attending a designated school). The Framework ensures that federal and provincial/territorial student financial assistance portfolios operate within the principles and practice of reasonable financial stewardship.
- As a part of the Framework, the CSLP tracks the repayment rates for Canada Student Loans. In 2009-2010 Canada Student Loan repayment was 84.8%, representing no change from the previous year.
- Throughout 2009-2010, the CSLP undertook investigations of over 40 cases of alleged misrepresentation involving \$633,860 of disbursed Canada Student Loans, of which 23 cases were confirmed as abuse, involving \$357,594.



The *Budget Implementation Act, 2009*, which came into force on March 12, 2009, introduced several measures through legislative amendments to improve the accountability and integrity of the CSLP, and to strengthen the stewardship of public funds.

- Introduction of a legal requirement for the Office of the Chief Actuary to prepare a report for the CSLP on the forecasted costs and revenues of federal student financial assistance at least once every three years.
- Improvement of the CSLP's ability to respond to changing program needs by ensuring that only terms and conditions of a student loan agreement that have a financial impact on the Government of Canada require approval by the Governor in Council.
- In the unfortunate event of the death of a borrower, Canada Student Loans from all regimes are forgiven, ensuring borrowers are treated in the same manner regardless of which regime their loans fall under.
- Protecting borrowers in cases where designated educational institutions present a significant financial risk by suspending or denying student financial assistance tied to those institutions.
- Requirement for an individual to provide information/documents in order to confirm compliance with federal student financial assistance legislation.
- Restrict individuals who have knowingly provided false information from receiving future student financial assistance for a period of one to five years.
- Individuals who have knowingly provided false information may also be required to immediately repay any outstanding student financial assistance obtained as a result of the false information.

## Program evaluation

A five-year evaluation of the Canada Student Loans Program began in 2006-2007, focusing on whether the CSLP is meeting its objectives, and if there are potential areas for improvement. This evaluation will be completed in 2011-2012.

A supplementary evaluation plan has also been launched to address program changes announced in Budget 2008. The Supplementary Evaluation Plan will provide significant focus on evaluating the impact of the new consolidated Canada Student Grants Program (CSGP) on access to post-secondary education.

# Appendix A Financial Data

All data in this section represent the fiscal year April 1, 2009, to March 31, 2010.

## Consolidated report on the Canada Student Loans Program<sup>13</sup>

In August 2000, the Canada Student Loans Program (CSLP) was shifted from the risk-shared financing arrangements that had been in place with financial institutions between 1995 and July 2000 to a direct student loan financing plan. The Government of Canada provides the necessary funding to students, and a private sector service provider administers the loans.

### Reporting entity

The entity detailed in this report is the CSLP only and does not include departmental operations related to the delivery of the CSLP. Expenditure figures are primarily statutory in nature, made under the authority of the *Canada Student Loans Act* (CSLA) and the *Canada Student Financial Assistance Act* (CSFAA).

### Basis of accounting

The financial figures are prepared in accordance with generally accepted accounting principles and as reflected in the *Public Sector Accounting Handbook* of the Canadian Institute of Chartered Accountants.

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<sup>13</sup> For more detailed information, please visit: Human Resources and Social Development Canada, *2008-2009 Departmental Performance Report*, <http://www.tbs-sct.gc.ca/dpr-rmr/2008-2009/inst/csd/csd00-eng.asp>.

**Table 6: Consolidated Canada Student Loans Programs operating costs (\$ Millions)**

Figure 1: Consolidated Canada Student Loans Programs—Combined Programs				
(millions of dollars)	Actual		2009-2010	
	2007-2008	2008-2009	Planned	Actual
<b>Revenues</b>				
Interest Revenue on Direct Loans	537.1	472.8	532.1	369.8
Recoveries on Guaranteed Loans	46.6	38.5	24.7	27.4
Recoveries on Put-Back Loans (RS)	13.5	13.1	7.4	11.0
<b>Total Loan Revenue</b>	<b>597.2</b>	<b>524.4</b>	<b>564.2</b>	<b>408.2</b>
<b>Expenses</b>				
Transfer payment				
Canada Study Grants, Canada Access Grants and Canada Student Grants Program	161.5	143.2	511.5	533.7
Loan Administration				
Collection Costs (All regimes) <sup>a</sup>	14.4	10.7	3.8	5.2
Program Delivery Costs (DL)	70.8	76.0	60.9	61.7
Risk Premium to Financial Institutions (RS)	1.3	0.7	1.0	0.6
Put-Back to Financial Institutions (RS)	3.8	3.8	3.3	3.6
Administrative Fees to Provinces and Territories and SIF (DL)	13.7	14.7	20.1	19.3
<b>Total Loan Administration Expenses</b>	<b>104.0</b>	<b>105.9</b>	<b>89.1</b>	<b>90.4</b>
Cost of Government Benefits to Students				
In-Study Interest Borrowing Expense (Class A - DL) <sup>b</sup>	196.4	166.9	184.7	177.4
In Repayment Interest Borrowing Expense (Class B - DL) <sup>b</sup>	173.6	160.7	210.4	180.0
In-Study Interest Subsidy (RS & GL)	8.0	4.0	3.5	1.4
Repayment Assistance Programs <sup>c</sup>	107.5	93.2	128.9	74.9
Claims Paid & Loans Forgiven (All regimes)	17.0	23.2	11.8	22.5
<b>Total Cost of Govt Benefits to Students</b>	<b>502.5</b>	<b>448.0</b>	<b>539.3</b>	<b>456.2</b>
Bad Debt Expense <sup>c</sup>				
Debt Reduction in Repayment Expense (DL)	12.4	53.2	12.8	133.4
Bad Debt Expense (DL)	293.5	293.6	326.6	129.1
<b>Total Bad Debt Expense</b>	<b>305.9</b>	<b>346.8</b>	<b>339.4</b>	<b>262.5</b>
<b>Total Loan Expenses</b>	<b>1,073.9</b>	<b>1,043.9</b>	<b>1,479.3</b>	<b>1,342.8</b>
<b>Net Operating Results</b>	<b>476.7</b>	<b>519.5</b>	<b>915.1</b>	<b>934.6</b>
Alternative Payments to Non-Participating Provinces (DL) <sup>d</sup>	113.9	111.0	90.5	223.1
<b>Final Net Operating Results</b>	<b>590.6</b>	<b>630.5</b>	<b>1,005.6</b>	<b>1,157.7</b>

(DL) = Direct Loans

(RS) = Risk-Shared Loans

(GL) = Guaranteed Loans

a. These costs are related to collection activities performed by the Canada Revenue Agency.

Figures for 2008-2009 have been adjusted by CRA and the new collection costs have been reflected.

b. These costs are related to Canada Student Direct Loans but reported by the Department of Finance.

c. This represents the annual expense against the Provisions for Bad Debt and Debt Reduction in Repayment as required under Accrual Accounting.

d. The figures represent the annual expense recorded under the Accrual Accounting as opposed to the actual amount disbursed to the Non-Participating Provinces. For 2009-2010, the total amount disbursed as Alternative Payments is \$127.3 M.

e. Interest Relief and Debt Reduction in Repayment has been replaced by the Repayment Assistance Programs.

## Appendix B Other Government Funding



### Government funding

Although the Canada Student Loans Program (CSLP) is the largest program offering student financial assistance to Canadians, other funding sources exist at the federal, provincial and territorial levels.

Measures offered by the Department of Human Resources and Skills Development include the following:

- The Canada Education Savings Grant encourages Canadians to save for their children's post-secondary education by awarding grants to beneficiaries of Registered Education Savings Plans (RESPs).
- The Canada Learning Bond provides a grant to low-income families to begin an RESP and encourages parents to save for their children's post-secondary education.
- Individuals who receive Employment Insurance benefits can be eligible for courses, training programs or other support to make it easier for them to return to the labour market, while still receiving income support during that period. This service is either co-managed with the provinces and territories, or provided by the provinces and territories through federal transfer payments.
- Provinces and territories may choose not to participate in the CSLP. These provinces and territories receive an alternative payment to assist in the cost of delivering a similar student financial assistance program.

## The Canada Millennium Scholarship Foundation (CMSF)

- The CMSF was established in 1999 with an endowment of \$2.5 billion and a 10-year mandate to promote access to post-secondary education. The CMSF provided non-repayable bursaries and excellence awards to eligible students. In Budget 2008, it was announced that the CMSF would close at the end of the 2008-2009 loan year and that measures would be taken to ensure that students would not be impacted negatively by the CMSF's closure.
- One of these measures is the Transition Grants provided by the CSLP. In 2009-2010, 35 089 Transition Grants were disbursed to former recipients of the Canada Millennium Scholarship Foundation bursaries to ensure they continue to receive the same level of assistance after the closure of the CMSF. The CSLP will continue to disburse these grants until 2013.
- In addition to the Transition Grants, the CSLP is also continuing to support Millennium Excellence Awards recipients. In 2009-2010, 39 Millennium Excellence Awards worth over \$245,000 were provided. The CSLP will continue to distribute Millennium Excellence Awards until 2013.



Other federal programs and initiatives related to post-secondary education include the following:

- The Canada Social Transfer is a federal transfer of funds to provinces and territories in support of post-secondary education, social assistance and social services.
- Indian and Northern Affairs Canada assists First Nation and Inuit students with the costs of tuition, books and travel, and provides living allowances through the Post-Secondary Student Support Program and the University College Entrance Preparation Program. Post-secondary institutions also receive support through the Indian Studies Support Program to develop and deliver special programs for Aboriginal people.
- Tax relief is available to all individuals with federal and provincial or territorial loans through a federal tax credit on the annual interest paid on their student loans.
- The tuition tax credit provides tax relief for students' expenditures toward tuition fees.
- The education tax credit provides up to \$400 per month for full-time students and \$120 per month for part-time students to help offset education expenses.
- The textbook tax credit recognizes the rising cost of educational materials. This credit is \$65 per month for full-time post-secondary students and \$20 per month for part-time students.
- The Official Languages in Education Program helps provinces and territories fund minority-language education and second-language instruction.
- Industry Canada offers scholarships and fellowships under the Natural Sciences and Engineering Research Council of Canada and the Social Sciences and Humanities Research Council of Canada.

Provincial/territorial and other funding includes the following:

- Provincial and territorial governments offer loans, grants, scholarships, tax credits and repayment assistance measures.
- Students may also apply for scholarships and bursaries from their educational institutions, financial institutions and community groups.

# Appendix C Client satisfaction with the National Student Loans Service Centre

## Satisfaction ratings of the National Student Loans Service Centre (NSLSC) (% satisfied)

Survey Question	2007-2008	2008-2009	2009-2010
The amount of time you had to wait to speak with a customer service representative	60	51	57
The competence of staff	77	74	82
The courteousness of staff	85	79	89
The extent to which the service was provided in a fair manner	81	79	87
The extent to which you were informed about the NSLSC	66	71	75
Your ease of access to the service	69	67	75
Your access to service in the official language of your choice, either English or French	97	95	97
In the end, you got what you needed from the staff	82	80	87
Overall level of satisfaction (with the quality of service received from the NSLSC)	78	76	77

Source: Canada Student Loans Program Client Satisfaction Survey.

Borrowers' views on the quality of the service they received with regard to their federal or provincial student loan over the past two years (% in agreement\*)

Answer	2007-2008	2008-2009	2009-2010
Improved	17	12	10
Worsened	5	6	2
Stayed more or less the same	77	72	82

Source: Canada Student Loans Program Client Satisfaction Survey.

\* Numbers do not add to 100% because respondents could pick "Don't Know or N/A."



# Glossary

See CanLearn.ca for a more thorough glossary of terms related to the Canada Student Loans Program (CSLP) and student financial assistance.

## Canada Student Grants:

On August 1, 2009, Canada Student Grants replaced the existing **Canada Access Grants**, **Canada Study Grants**, and grants offered by the Canada Millennium Scholarship Foundation. The following types of grants are available:

- Grants for Students from Low-income Families: \$250 per month, to a maximum of \$3,000 per year for full-time students in a multi-year program;
- Grants for Students from Middle-income Families: \$100 per month, to a maximum of \$1,200 per year for full-time students in a multi-year program;
- Grants for Students with Dependants: For full-time students, \$200 per month of study, per child under 12 years of age. For part-time students with up to two children under 12 years of age, \$40 per week of study. For part-time students with three or more children under 12 years of age, \$60 per week of study.
- Grants for Part-time Studies: For students from low-income families, up to \$1,200 per school year, depending on assessed need.
- Grants for Students with Permanent Disabilities: \$2,000 per loan year for full-time or part-time students with permanent disabilities.
- Grants for Services and Equipment for Students with Permanent Disabilities: Up to \$8,000 per loan year to cover exceptional education-related costs such as tutors, note-takers, sign interpreters, brailers, or technical aids.
- Transition Grant: This Grant, which will operate until 2013, replaces the Millennium bursary following the wind-down of the Canada Millennium Scholarship Foundation in 2009. It will ensure that 2008-2009 Millennium bursary recipients will continue to receive the same level of funding for the remainder of their current post-secondary education program.

<b>Consolidation:</b>	Borrowers consolidate their student loan(s) six months after completing their post-secondary studies (or ending full-time studies). Repayment begins once they have consolidated their loans.
<b>Default:</b>	A Canada Student Loan, issued under the <b>direct loans</b> regime, enters into default once a borrower has missed payments for 270 days. Loans issued under the <b>guaranteed</b> and <b>risk-shared</b> loan regimes enter into default when payments are in arrears for 90 days or more.
<b>Default rate:</b>	The CSLP measures default using the “three-year cohort default rate.” This rate shows the proportion of loan dollars that enter repayment in a given loan year (cohort) and default within three years. For example, the 2006-2007 default rate represents the proportion of loans that entered repayment in 2006-2007 and defaulted before August 1, 2009.
<b>Designated:</b>	A designated post-secondary educational institution meets provincial and federal eligibility criteria, and students attending these schools can apply for government-sponsored student financial assistance, such as Canada Student Loans.
<b>Direct loans:</b>	As of August 2000, the federal government issues Canada Student Loans under the direct loans regime. Loans are directly financed by the Government and a third-party service provider administers the loan process.
<b>Full-time:</b>	A full-time student is a student enrolled in at least 60% of a full course load (or 40% for students with permanent disabilities), for a period of at least 12 consecutive weeks at a <b>designated</b> post-secondary educational institution.
<b>Guaranteed loans:</b>	Between 1964 and 1995, Canada Student Loans were provided by financial institutions (such as banks) under the guaranteed loans regime. If a student defaulted on a guaranteed loan, the government paid out the bank and the student’s debt was then owed directly to the government.

<p><b>Integrated province:</b></p>	<p>In integrated provinces, federal and provincial loans are combined so borrowers receive and pay back one federal-provincial integrated loan. The federal and provincial governments work together to make applying, managing and repaying loans easier. As of July 31, 2010, the CSLP has integration agreements with Ontario, New Brunswick, Newfoundland and Labrador, and Saskatchewan.</p>
<p><b>In-Study:</b></p>	<p>The status of borrowers who are still attending full-time or part-time studies at a post-secondary institution or who have finished school less than six months ago.</p>
<p><b>In-Study Interest Subsidy:</b></p>	<p>Canada Student Loan borrowers in full-time study are exempt from paying interest on their loans as follows:</p> <ul style="list-style-type: none"> <li>• For loans negotiated before August 1, 1993, the government covers the interest for the entire in-study period;</li> <li>• For loans negotiated after August 1, 1993, the government covers the interest while the borrower is in school.</li> </ul>
<p><b>Loan year:</b></p>	<p>August 1 to July 31.</p>
<p><b>Millennium Excellence Awards</b></p>	<p>Merit scholarship for academic excellence, innovative leadership and community service, awarded by the Canada Millennium Scholarship Foundation (CMSF). Since the closure of the CMSF, the CSLP administers these awards until 2013.</p>
<p><b>National Student Loans Service Centre (NSLSC):</b></p>	<p>The main point of contact for borrowers in managing their loans, from loan disbursement, to repayment and repayment assistance. The NSLSC is run by a third-party Service Provider. The NSLSC manages all Canada Student Loans issued on or after August 1, 2000, as well as integrated student loans for New Brunswick and Newfoundland and Labrador, issued on or after August 1, 2000. It also manages all integrated student loans for Ontario and Saskatchewan issued on or after August 1, 2001.</p>

<b>Part-time:</b>	A part-time student is a student taking between 20% and 59% of a full course load (or 20% to 39% of a full course load for a student with a permanent disability).
<b>Participating provinces/territories:</b>	The provinces and territories that choose to deliver financial assistance to students within the framework of the CSLP. As of July 31, 2010, they included Newfoundland and Labrador, Prince Edward Island, Nova Scotia, New Brunswick, Ontario, Manitoba, Saskatchewan, Alberta, British Columbia and Yukon.
<b>Permanent Disability Benefit</b>	In certain cases, some borrowers may be eligible for loan forgiveness. The Permanent Disability Benefit makes it possible to cancel the repayment obligations of borrowers who have a severe permanent disability.
<b>Province/territory</b>	A student's province or territory of residence is the province or territory where they have most recently lived for at least 12 consecutive months (not including time spent in a province or territory as full-time student at a post-secondary institution). For example, a student from Alberta studying in Quebec would be considered an Alberta student.
<b>Post-secondary education:</b>	Levels of education following secondary school (high school). This can include public and private educational institutions such as universities, colleges, community colleges, trade schools, technical institutions, vocational institutions, or CEGEPs (Collège d'enseignement général et professionnel).
<b>Repayment:</b>	The status of borrowers who have begun repaying their Canada Student Loans. Repayment for full-time loans begins six months after a borrower completes their post-secondary studies, or stops studying full-time.

**Repayment Assistance Plan (RAP):**

On August 1, 2009, RAP replaced the **Interest Relief** and **Debt Reduction in Repayment** measures. RAP is a temporary repayment assistance measure where a borrower pays an affordable monthly loan payment based on their family income and family size. RAP also ensures that no borrower will have a repayment period of more than 15 years (or 10 years if they have a permanent disability). Under RAP:

- Eligible borrowers can receive assistance for six months, and can reapply as long as they are eligible.
- Loan payments are based on the borrower's income, level of debt and ability to pay.

**Repayment rate:**

The repayment rate is the percentage of the total principal amount of Canada Student Loans consolidated in a given loan year that is repaid or in good standing at the end of the subsequent loan year.

**Revision of terms:**

A means of allowing borrowers to manage their loan repayment in a way that is responsive to their situation. It can be used to decrease monthly payments (extending the loan term to a maximum of 14.5 years), or it can be used to increase loan payments to allow the borrower to pay off the loan sooner.

**Risk-shared loans:**

Between 1995 and 2000, Canada Student Loans were provided by financial institutions (such as banks) under the risk-shared loans regime. Under this regime, financial institutions assumed responsibility for a portion of the possible risk of defaulted loans in return for a payment from the Government.

**Transition grants:**

This grant, which will operate until 2013, replaces the Millennium bursary following the wind-down of the Canada Millennium Scholarship Foundation in 2009. It will ensure that 2008-2009 Millennium bursary recipients will continue to receive the same level of funding for the remainder of their current post-secondary education program.

