

I have student loans – now what?

The 4 W's and 1 H of paying back your student loans

WHO TO PAY LOANS TO

You have two loans:

1. **Canada Student Loan (federal government)**
2. **Provincial Loan (home province)**
 - Some provinces have integrated student loans = 1 payment
 - Non-integrated loans = 2 payments

1 Payment Canada Student Loan					2 Payments Canada Student Loan + Home Province Loan			
SK	ON	NB	NF	BC	AB	MB	NS	PEI



WHERE TO MAKE PAYMENTS – Pt 1

Canada Student Loan

National Student Loan Service Centre –

- Login in with your user id and password
- Once you are logged in, you can view exactly how much loan you owe (integrated loan totals found here).



WHERE TO MAKE PAYMENTS – Pt 2

Provincial Loan

- Log on to your home province student loan website.
- Search repayment and follow the links.

Provincial Lenders

AB – make payments to Alberta Student Aid

MB – make payments to MB Student Aid

NS – make payments to Resolve NSDL

PEI – make payments to Edulinx PEI



WHEN DO I START PAYING?

Canada Student Loan: You will receive a Consolidation Agreement from the National in late September or early October.

- First payment due October 31 – interest is no longer charged during grace period. You can start earlier to pay less interest.
- Withdrawals will be made even if you do not sign the agreement.
- Signing the agreement gives you opportunity to make changes to the schedule or apply for assistance.

Provincial Loan: Check their websites, each have their own schedules.



HOW DO I PAY?

- On-line banking, pre-authorized debit, telephone banking or directly through your financial institution.

Note: Be prepared, make sure you have your banking information. If you choose on-line banking, set it up early so you are not rushed.



HOW MUCH DO I PAY? – Pt 1

It depends on...

- How much loan you have signed for
- How much has been forgiven
- How long of a term you will be paying back for
- What the interest rate is



HOW MUCH DO I PAY? – Pt 2

Key terms

Amortization – the number of months the loan is extended for

- Automatically assesses at 114 months (9 ½ years) – 10 years less grace period

Interest rates

- Fixed – set rate, Bank of Canada prime rate + 2.0%
- Floating – follows bank interest rate fluctuations
 - Bank of Canada prime rate + 0%

**Once you have locked into a fixed rate you cannot change to floating



HOW MUCH DO I PAY? – Pt 3

Consider this:

- No penalties for making lump sum payments, making larger than expected payments or paying off early (do it!!)



LOAN REPAYMENT CALCULATOR

Go to:

www.canlearn.ca

- Choose "Student Aid"
- Repay your Student loan
- Loan Repayment Estimator (scroll down a bit)

This table lets you enter up to two repayment options for quick comparison

Loan Repayment Estimator	Option 1	Option 2
Total amount of your loan at the end of your studies	\$ 30000	\$ 30000
Select a fixed or floating interest rate Footnote 1	Fixed	Fixed
Prime rate to be used for your calculations (%)	2.7%	2.7%
Non-repayment period options	Start to repay your loan immediately after finishing school.	Start to repay your loan immediately after finishing school.
Select number of months you will need to repay your loan	120	60
Total amount of your loan to be reimbursed	\$ 30,000	\$ 30,000
Amount of each monthly payment	\$ 306.73	\$ 549.59
Total interest payable over the life of your loan	\$ 6,807.13	\$ 2,975.31
Total amount payable	\$ 36,807.13	\$ 32,975.31



WHAT IF...

I can't make my minimum monthly payment?

- Apply for the RAP (Repayment Assistance Plan).*
- Apply in late September, early October

NOTE: Word of caution – this program is helpful but having student loan debt hang over you becomes a burden. The amount of student loan debt will affect your borrowing capacity (i.e., borrowing for a car, house).



WHAT IF... (CONT'D)

I ignore my loans?

- You will be considered in default.*
- It will affect your credit rating. Your credit score shows future lenders how risky it can be to lend you money. A poor credit score can also affect your ability to get a job, rent an apartment or get credit.
- Funds will be collected through income tax returns.

In the future, it may affect future Briercrest student's eligibility for student loans.



CONSUMER AWARENESS

- Keep all records (e.g., letters, cancelled cheques, deposit receipts).
- Keep a call log.

Date	Who you spoke to	Reason for calling	Answer you received
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- Keep your address updated with lenders and Briercrest.



GRADUATE RETENTION PROGRAMS



- SK has a tax incentive to attract and keep undergrad graduates in their province.
- SK Graduate Retention requires consent to release information. Please submit to Student Finance.
- <https://www.saskatchewan.ca/residents/education-and-learning/graduate-retention-program>

Tips to repay your student debt faster

- *Make lump sum payments – lump sum payments will go towards interest first and then to the principal of your loan.*
- *Increase the amount of your payments – a payment over and above your minimum payment will go towards the principal of your loan. This decreases your total loan amount, which reduces the amount of interest you will have to pay.*
- *Include payments in your budget – talk with your financial institution about setting up automatic payments. Make sure to know when your payments are due.*

BUDGETING RESOURCES

- Michel Bell – Managing God’s Money
 - www.managinggodsmoney.com
- Financial Basics
 - Financial Consumer Agency of Canada (FCAC) has developed a financial workshop to help young adults learn about budgeting, saving, credit, investing, fraud prevention and financial planning.
 - <https://www.canada.ca/en/financial-consumer-agency/services/financial-basics.html>



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