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Welcome everyone! This short video will discuss the payment of your government student loans and grants.

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In this video we're going to be discussing who are you paying back?

What is the non-repayment period?

What happens when you enter repayment?

How can you save money on your student loans?

A quick tour of your NSLSC.ca account.

Avoiding any possible problems in repayment

Part-time students and some additional helpful information for you.

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Exactly who are you paying back?

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For your Canada student loan and your provincial loan from BC, Saskatchewan, Ontario, New Brunswick and Newfoundland and Labrador you will be making one payment to the National Student Loan Service Center for both of your loans.

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If you have a provincial loan from Alberta, Manitoba, PEI or Nova Scotia you will be making a separate payment for those provincial student loans, therefore you will have 2 payments to make. You will be making one payment for your Canada student loan to the national student loan service center and one payment to your provincial service provider.

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What is your non-repayment period?

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Your non-repayment period is the 6-month period after you leave school full-time.

If you have loans from Saskatchewan, Ontario or New Brunswick, the provincial portion of those loans may accumulate interest during the 6 months of non-repayment. You can make payments during this time and there is no interest added onto your loan if you return to school full-time before non-repayment period ends.

Remember to send in your confirmation of enrollment if you are returning to full-time studies before the end of your non-repayment period, especially if you are not reapplying for loans or grants.

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So, what you are seeing on the screen now are examples of your last day of school and the respective end of study dates. You are going to want to find the month you finish school full-time which will show you your non-repayment period where no payments are required during your 6 months of non-repayment and then the date your repayment starts. Whether you finish on the 12, 19, or the 22 of the month, your end of study date would automatically go to the last day of the month. Let's use April 30th as an example. If you finish school full-time on April 4<sup>th</sup> as per the example, your end of study date would be April 30th. Your 6 months of non-repayment would go from May 1st to October 31st. You will enter repayment on the 1st day of the 7th month which would be November 1st. Your first payment would be due on the last day of the month automatically. If you want to make changes, please reach out to the NSLSC either through your NSLSC.ca online account or by phone to make changes to the payment due date. Interest on the provincial portion of your loan for (Saskatchewan, Ontario or New Brunswick) will accumulate during your 6 months of non-repayment and will be added to your loan once you enter repayment.

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Entering Repayment on your student loans.

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All your government student loans you have received are put together in one amount for you to pay back. You will receive a digital repayment notification within your NSLSC.ca online account after you have ended your full-time studies and before the beginning of the repayment period.

If you received loans from BC, Saskatchewan, Ontario, New Brunswick or Newfoundland and Labrador you will only receive one repayment schedule for both you're for Federal and provincial loan as you only have one payment to make. If you received provincial loans from Alberta, Manitoba, Nova Scotia or PEI you will receive two separate repayment schedules as you will be making one payment to your provincial service provider (a list will be provided towards the end of this presentation) and one to the NSLSC for your Canada loan. The repayment schedule will outline:

How much you owe, what the interest rate is on your loans (Federal and Provincial), the amount of each monthly payment, the date the payment is due and the bank account the payment will be withdrawn from (this is typically the account where the money was deposited while you were in school).

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You have some options when entering Repayment. For those of you that have Saskatchewan, Ontario or New Brunswick loans you have the option of paying off the interest that may have accumulated over the 6 months of non-repayment or to add it to your loan balance. Automatically we will select to have the interest added to your loan balance which will increase the amount you have received. You will pay off that higher amount with interest over time.

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By adding the accumulated 6-month non-repayment interest to your loan balance you will not be required to pay off the interest before entering repayment if you don't have the money available to do

so. However, this will increase the total loan balance so you will pay more interest over time on your student loans.

By paying off the accumulated 6-months non-repayment interest, your interest will not be added to your overall loan balance which means you will pay less interest over time. The 6-months non-repayment interest however will have to be paid in one lump sum at the time you enter repayment. If you want to pay off the 6 months of interest that has accumulated, make sure to reach out to us to let us know. We will inform you on how to make that payment and ensure the payment goes to paying off the 6 months of interest that accumulated. By paying off the 6 months of interest before you enter repayment, you will save money over time.

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Your second option is to choose either a floating or fixed interest rate on your student loans.

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The starting point for your student loans is the Prime Rate. The prime rate is determined by the policy of the Bank of Canada and can fluctuate over time. Automatically a floating interest rate will be selected for your student loans. On the screen the interest rates are indicated for both your Canada and provincial student loans. Remember, typically 60% of your total student debt load is Canada student loans and 40% is provincial. Students typically select the floating interest rate for their student loans. The prime rate used for your student loan will only be selected once you enter repayment, therefore, if you were to finish school in April, and you enter repayment on the 7<sup>th</sup> month which would be November, only as of November 1<sup>st</sup> would the prime rate be selected for your student loan. If you select a Fixed rate, your payments will be based upon the amount of time selected for your repayment at the interest rates shown in the Fixed rate tables, therefore no possible fluctuations in your monthly payment. If you were to select a floating rate, we are always estimating your monthly payments. Towards the end of your repayment term, an adjustment will be made to your payments to cover the difference in the fluctuations with the prime rate over time. This means that towards the end of your repayment, it is possible that your payments slightly increase or decrease depending on the prime rate over time. You can move from a floating to a fixed interest rate at any time, however once you move to a fixed rate you can't go back to a floating rate.

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How long will you take to repay your student loans?

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Most borrowers will be on a 9.5-years repayment or 114 months of payments. You can select a longer repayment term if you would like, and the longest term typically available is 14.5 years or 174 months of repayment. The longer term you select in repayment basically means you pay less per month but will pay more interest overall and your loan will cost more to pay back as you are taking longer to pay back the loan. The shorter term you select means you pay more per month, but you are paying your loans off faster which means you will pay less interest, overall. As there are no penalties on student loans, you can move your terms around during the repayment. Meaning, that you can start off on a 9.5-year repayment and make the payments required. After a year, you look at your budget and you would like

to change your term to 6 years, you can do this and then make the payments required to finish paying off your loan in 6 years.

Should you find this too difficult, you can move the repayment term around and make the payments required. By selecting a shorter term, you pay more per month, but less overall in interest. If you select a longer repayment you pay less per month, but more interest over time.

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How do you wish to submit your monthly payments?

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Your first payment is due on the last day of the 7<sup>th</sup> month after you finish school full-time.

Automatically your payments will be taken from the account where your money was last deposited.

However, you can also make payments through Online banking, Telephone banking or you can send a cheque or money orders. Log into your NSLSC.ca online account and you can make a payment by linking your bank account to your NSLSC online account. While on your NSLSC.ca online account looks for your account number, you can also log into your online Bank account and find the payment section. Within this section you will see a search bar, type "National Student Loans Service Center" and the system will do its search. Select the NSLSC and the next step will ask you for the account number. Enter the account number without spaces, only the number and select save. Now that you have created the NSLSC as a payee, you can send in additional payment anytime on your account. If you send in any cheques, please make sure to put your account number on the check as this will help in applying the payment to your account.

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How can I save money on my student loans?

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How can you save money?

For all of you that are still in school full-time any payments that you make until your end of study date are interest free so all the payment will go on the principle of the loan.

Now it is worthwhile making payments during your 6-months of Non-Repayment as you are reducing the amount you owe which will reduce the interest you will pay overtime.

If you can pay a larger amount than the minimum calculated that will help as it will reduce your time in repayment, or

if you can make weekly or biweekly payments this will reduce the time in repayment and the interest paid

If you can make lump sum payments while in repayment this will also have some huge benefits in the long run.

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How can you save money on your student loan? The example used is based on a \$25,000 student loan and a floating rate of prime rate at 3.0%. If you were to do nothing, your payment amount should be around \$289.80 a month. This would be for 114 months which is 9.5 years and the total amount of interest payable on the loan would be approximately \$8000. Now you would have zero interest savings because you're just going through a regular repayment. If you were to increase that payment by \$20 per month (your estimated monthly payment is \$289.80, and you look at your budget and you decide you can pay \$309.80. By making that payment of \$20 additional a month you're reducing your time in repayment to 106 month, which means are also reducing interest on your loan and you could save approximately \$843 on interest you won't have to pay on the student loan because you increase your payments by \$20 a month. Let's say instead of doing that you make your payments of \$289.80 a month and you put a lump sum payment of \$250 once a year. This would bring it down to about 105 months with a total interest savings of about \$950.00. If you decided to make your payments every 2 weeks well then it should bring it down to about 102 months with an interest savings of a little bit over \$1000. This is obviously dependant upon your budget and what you can do however, if I could offer 2 suggestions. My first one would be is to make your payments every 2 weeks and once a year make a lump sum payment. If you did have a \$25,000 combined student loan and you changed your payments to every 2 weeks and once a year you make a \$250 lump-sum payment, you be able to reduce your loan repayment by about a year and you be able to save almost \$2000 in interest you won't have to pay anymore. At the end of the month if you have an extra \$10, \$15 or \$20 or whatever the amount is and you want to make an additional payment on your loan you can always just log into your NSLSC.ca online account or log into your bank account and make any payments that you want to on your student loans. Any additional payments that are received are going to reduce your time in repayment, which is going to reduce your interests, which means you'll save on the amount of student loan you have to pay back.

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Now, we will give you a quick tour of your NSLSC.ca online account

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Once you log in, you can easily change your contact information in the **My Account – My Profile Tab**. We can't stress enough how important it is that you make sure the information in this section is always complete and current.

You can also check the status of your loan and get important details about your loan by going to the **My Account Tab** and choosing **My Funding**. If you're still in school but aren't getting a new loan next year, this is where you'll notify us with a confirmation of enrollment request.

You can review the history of your loan disbursements by choosing the **My Account Tab** and going to the **My Disbursements** page. This is where you can look if you're waiting for a disbursement to come through, for example.

Within your NSLSC.ca online account is also where you'll pick up mail from us, including loan status updates and requests for follow-ups. [My Inbox tab].

And, when it comes time to repay your loans, your account will also include important information about your repayment options. You'll be able to access this under the **My Account Tab** at the **Repayment Assistance** page.

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How do I avoid difficulties in repayment?

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We understand that life can be challenging, and you may find yourself having difficulty making your loan payments. If this happens contact us right away, we will be able to provide you with advice and tell you about your options. Choosing to ignore your loans or not accessing the options we provide could result in a negative impact on your financial future.

After 270 days which would be 9 months, without a payment, your loan is returned to the government. At this point your loans could be forwarded to a collection's agency or the Canada Revenue Agency.

Your credit rating will be affected, meaning that you may have difficulty getting a loan to purchase a car or house or you'll pay higher interest rates if you get approved.

By allowing your credit to be compromised you could be affecting other aspects of your future. You may also have difficulty renting an apartment or gaining employment, as these situations often require a check on your credit rating. Some provinces also have additional penalties if you do not pay your provincial loans. Remember if you're having difficulties making your student loan payments be sure to contact the NSLSC and we will be happy to provide you with advice and tell you about the options you have available to help you.

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If you are having trouble paying your student loan because you haven't found work, you've lost your employment or you simply can't afford to make the payments at this time remember there are programs designed to help and the first one is called the repayment assistance plan. You must apply for the Repayment Assistance plan through the National Student Loans Service Centre to receive repayment assistance. A separate application will be needed if you have a Manitoba or PEI provincial student loan. For all other provinces, the application you submit to the NSLSC will automatically be applied to the provincial portion of your loan. To apply for the Repayment Assistance Program, you must log into your NSLSC.ca online account and apply for repayment assistance. The application will guide you through the process.

What will happen is that an affordable payment will be calculated based upon your gross family income and family size as well as other factors. Once approved you will enjoy the benefits of the repayment assistance program for a 6 months period. This will not auto renew, therefore if you should need the repayment assistance program again, you must re-apply every 6 months.

It is possible that on the repayment assistance program that your payments would be calculated at \$0.00 per month for a 6-month period based upon the affordable level calculation.

You can only apply for the repayment assistance program once you have entered repayment, which means you have access to apply for the repayment assistance program once you have arrived at the 7<sup>th</sup>

month after your last end of study date. You can apply at that point, or 3 years into repayment or any other time you need the assistance for a 6 months period.

Typically, within 48 hours of your application being received at the NSLSC, a status update on your application is available to you on your NSLSC.ca online account.

The easiest way to look at this program is the following way... If there ever comes a time where you don't think you're going to be able to make that expected monthly payment you can apply for the repayment assistance plan. The plan will re-evaluate your payments every month for a 6-month period. Once those 6 months are up if you don't need the help again you would simply not reapply for the repayment assistance plan. Automatically the month after you would enter regular repayment where you would go back to making your expected monthly payments every month and a re-evaluation of the time remaining would happen on your student loans.

The other option you have is what's called the revision of terms, this is just basically moving the amount of time in repayment so by selecting a longer repayment you're reducing your payment per month but just remember you're also increasing your interest as you are taking longer to pay your loan back. A revision of terms will also allow you to make interest only payments, will allow you to adjust the term up to 174 months or 14.5 years. Everyone has access to a revision of terms regardless of debt or income level and payments are required each month. These programs are designed to help you out and they will not affect your credit in anyway shape or form.

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Let's briefly discuss part-time students' loans

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The part-time process mimics the full-time loan process with minimal differences.

During the repayment period you will not be required to make payments while in study and for the following 6-months after your end of study date.

If you have both full-time and part-time loans, separate payments will have to be made to the NSLSC.

Debt management tools will be available such as the repayment assistance program as well as the revision of terms.

You will however have to submit a confirmation of enrolment from your NSLSC.ca account if you return to school full-time to ensure that you are not required to make payments on your part-time student loan.

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Here is some additional helpful information.

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We usually communicate with you by sending an email. We'll use the address you provided to us, so be sure to check that email account regularly, and remember to let us know if you close that account or change your email address.

Often, you'll receive a notification email telling you to check your NSLSC.ca Online Account for important information or to provide us with information. Be sure to follow up with these and take any required actions right away.

Always keep your email address up to date.

It's also a good idea to log into your NSLSC.ca online account regularly, in case you missed an email.

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Here is some helpful information for while you are still in school. **Stay in touch.** Tell us if your contact information or student status changes.

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**Improve your financial literacy.** Start by visiting the website for the **Financial Consumer Agency of Canada**. It's got lots of information and tips that will help you manage your money while you're in school, and later when you leave school and get your first job, find a place to live, and other life events. You can find the website by visiting [Canada.ca](http://Canada.ca), selecting Money and Finances.

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**Create a budget.** This will help you stay on track so that your spending doesn't exceed your income — and will help ensure that your funds will get you through the year. There are great budgeting tools available when visiting [Canada.ca](http://Canada.ca) and selecting Money and Finances and then looking for Managing my money.

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**Borrow wisely.** Use your NSLSC Online Account to keep track of how much you've borrowed. If it's more than you need, consider repaying some early. It will ease your financial responsibilities down the road.

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Here is the contact information for the National Student Loan Service Centre as well as other provincial service providers. If your loans are from BC, Saskatchewan, Ontario, New Brunswick or Newfoundland Labrador you will only be dealing with the National Student Loan Service Centre for your Federal and Provincial loan repayment. For those of you that have Alberta, Manitoba, Nova Scotia or PEI loans you have a different service provider for your provincial loans. Your Canada student loans are managed by the National Student Loans Service Centre and then your provincial loan will be with the service provider for the province indicated in the slide. Please don't hesitate to reach out to the NSLSC or your provincial service provider should you have any questions on your student loans.

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After viewing this recording should you want any additional information such as a handout about your provincial and your federal loan or a copy of this presentation, please send an email to

[regionalrelations@nslsc.ca](mailto:regionalrelations@nslsc.ca). Thank you for taking the time to learn more about repaying your student loans and we wish you enormous success in your future endeavours. Any comments or concerns about this recording can also be send to the [regionalrelations@nslsc.ca](mailto:regionalrelations@nslsc.ca).