



**BRIERCREST**  
COLLEGE

# 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)
  1. Some provinces have integrated student loans = 1 payment
  2. Non-integrated loans = 2 payments

1 Payment – Canada Student Loan

- Saskatchewan, Ontario, New Brunswick
- Newfoundland and British Columbia

2 Payments – Canada Student Loan + Home Province Loan

- Alberta, Nova Scotia
- Prince Edward Island

MB is in the process of switching to 1 payment



# 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
  - **NS** – make payments to Resolve NSDL
  - **PEI** – make payments to Edulinx PEI

Manitoba should now be consolidated with NSLSC (new as of 2023)



# 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?

- Pre-authorized debit is the easiest way to ensure your payments are made consistently and on time. If your student loan was deposited directly into your bank account, you are automatically set up for Pre-authorized debit
- Make a payment online – you can make a payment using the banking information in your secure NSLSC account (great way to make lump sum payments)
- Online banking, telephone banking, cheques, money orders, bank draft
- 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

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- 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**
    - Effective April 1<sup>st</sup>, 2023, the Government of Canada has permanently eliminated the accumulation of interest on Canada Student loans
    - For Canada/Saskatchewan loans:
      - Fixed – set rate, Bank of Canada prime rate + 2.5%
      - 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
- \*\*The floating rate will be applied to your loan unless you choose the fixed rate

# HOW MUCH DO 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

| 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 <a href="#">Footnote 1</a> | Fixed   | Fixed   |
| Prime rate to be used for your calculations (%)                     | 7.2%  | 7.2%  |
| Non-repayment period options  | Start to repay your loan 6 months after finishing school. | Start to repay your loan 6 months 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                                      | \$ 383.28   | \$ 625.67   |
| Total interest payable over the life of your loan                   | \$ 15,993.85  | \$ 7,540  |
| Total amount payable  | \$ 45,993.85  | \$ 37,540   |

# 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
- 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.





## Interest paid on your student loans

- You may be eligible to claim an amount for the interest paid on your student loan in 2023 or the preceding 5 years for post-secondary education if you received it under:
  - The Canada Student Loans Act
  - The Canada Student Financial Assistance Act
  - The Apprenticeship Loans Act
- Only You can claim an amount for the interest you, or a person related to you, paid on that loan in 2023 or the preceding 5 years.
- You can claim an amount only for interest you have NOT already claimed. If you have no tax payable for the year the interest is paid, it is better for you NOT to claim it on your return and carry it forward
- Check Government of Canada website for more details





# BUDGETING RESOURCES

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- **Michel Bell – Managing God’s Money**
  - [www.managinggodsmoney.com](http://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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