

Canada Student Loans and Grants

Policy Manual

July 2016

2016 – 2017

**Canada Student Loans Program
Employment and Social Development Canada**

Introduction

This policy manual replaces all previous Canada Student Loans Program policy manuals. It will help the appropriate authorities in the nine Canadian provinces and Yukon Territory that participate in the CSLP to interpret the ***Canada Student Financial Assistance Act*** and the ***Canada Student Financial Assistance Regulations***, as well as the ***Canada Student Loans Act*** and ***Canada Student Loans Regulations***. Nothing in this manual should be interpreted in a way that contravenes the Act and its regulations.

This manual is meant to provide policy guidance to CSLP partners on the process that full-time and part-time students go through from application to repayment.

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Chapter 1: Eligibility Criteria

1.1 Purpose

Provinces and Territories are responsible for determining and monitoring the eligibility of students in accordance with the *Canada Student Financial Assistance Act and Regulations*.

This chapter explains the criteria used to determine student eligibility for full-time and part-time student loans under the Canada Student Loans Program (CSLP). It notes any differences in policy for students with permanent disabilities.

In addition to satisfying the criteria set out in this chapter, students must also demonstrate financial need. This is discussed in **Chapter 2: Need Assessment**.

This chapter describes eligibility criteria relating to:

- Citizenship
- Residency
- Designated post-secondary educational institutions
- Program length
- Full-time enrolment
- Duration/Limitations on Student Financial Assistance
- Credit screening
- Restrictions
- Part-time enrolment.

1.2 Citizenship

A student applying for a loan must:

- be a Canadian citizen **or**
- be a permanent resident **or**

- be a protected person as defined in the *Immigration and Refugee Protection Act*.

If the applicant does not have a regular non-900 series SIN, they may be a permanent resident or protected person, in which case the following applies:

- Permanent residents must include a copy of either a valid permanent residency card or a landing document.

Protected persons must include copies of the following documentation:

- A Notice of Decision issued by the Immigration and Refugee Board or Verification of Status document issued by Citizenship and Immigration Canada. Protected Persons Status Documents issued prior to January 2013 are acceptable as well.
- A temporary Social Insurance Number (SIN) card showing a 900 series SIN number.

1.3 Residency

To be eligible to apply, full-time and part-time students must be resident of jurisdictions that take part in the Canada Student Loans Program. Residents of Quebec, the Northwest Territories, and Nunavut are not eligible.

A student can receive loans from only one province or territory in a given study period. A province or territory can only issue an electronic certificate or Master Student Financial Assistance Agreement (MSFAA) to its own residents.

The criteria for determining the province of residence of full-time students depend on the category of the applicant, as explained below. (These categories are defined in **Chapter 2: Need Assessment**). There are no categories of part-time students (see **Section 1.10** for part-time residency).

If there is disagreement as to a student's province of residence, the provinces and territories concerned must resolve the issue. Each province / territory must confirm the agreed-upon residence of the applicant. No student can be denied consideration simply because the provinces / territories cannot agree on the issue of provincial residence.

Residency criteria: Single Dependent Student

These criteria apply to students who have either a parent or a sponsor.

The province or territory of residence for a Single Dependent Student is the province or territory where the student's family has most recently maintained a family home for at least 12 months in a row. This applies even if a parent works in another province / territory.

At their discretion, a province / territory may consider a student to be a resident if the student's family has been in the province or territory for less than 12 months.

If a student's parents are separated or divorced...

The province or territory of residence is that of the parent with whom the student normally lives. If the student lives with neither parent, the province of residence is that of the parent who supports the student financially.

If student's parents live abroad...

The province or territory of residence is where the parents last maintained a family home for at least 12 months in a row.

If student's parents move to another province or territory...

The student's province or territory of residence remains the same, as long as the student is staying there to attend school within a year of the parent's move.

Example: Emily is attending the University of British Columbia. Her mom moved to Nova Scotia for a new job in June. Emily decides to stay in British Columbia and continue her studies in the fall. British Columbia will continue to issue her a Canada Student Loan.

Residency criteria: Single Independent Student and Single Parent Student

The province or territory of residence for a Single Independent or a Single Parent Student is the province or territory where they lived for at least 12 months in a row before their first loan application. This does not include time spent as a full-time student at an educational institution outside the province or territory.

If a student moves to another province or territory...

The student becomes a resident of the new province or territory after they have lived there for at least 12 months in a row, not counting time spent as a full-time student at a post-secondary educational institution outside that province or territory.

Residency criteria: Married and Common-law Students

The province or territory of residence for a Married or Common-law Student is the province or territory where they lived for at least 12 months in a row before the date of their loan application. This does not include time spent as a full-time student at an educational institution outside the province or territory.

If a Married or Common-law Student attends an educational institution outside their province or territory of residence...

The student will still be considered a resident if their spouse or common-law partner has been employed in the province or territory of study for at least 12 months in a row before the start of the study period.

If a Married or Common-law couple each needs a Canada Student Loan...

One province or territory should provide assistance to both. If the two students were supported by different provinces or territories before they became a couple, consider the province or territory where they are both going to school to be their province or territory of residence, as long as that province or territory is one of their original province or territory of residence.

If the couple is going to school in a third province or territory, which is not an original province of residence for either student...

Each of them should be considered as a resident of their original province or territory, unless the province or territory concerned can agree on which province or territory should administer the loans.

Example: Amira and Martin are both studying in New Brunswick. Amira is from British Columbia and Martin is from Manitoba. Their province of residence will be British Columbia and Manitoba, unless all three provinces agree that it should be New Brunswick or British Columbia or Manitoba, for both students.

Students who have been living Outside of Canada for extended periods of time

If a single independent, single parent or married/common-law student has lived outside of Canada for an extended period of time, i.e. more than 12 months, the student will be considered a resident of the last province or territory he or she (or his or her spouse) last resided in (or maintained employment in the case of a spouse) for 12 consecutive months. If the student (or his or her spouse) has never been a resident of any province for 12 consecutive months, a determination of provincial residency will be made on a case by case basis by the province or territory or provinces and territories that are reasonably implicated.

In other exceptional circumstances, the relevant provinces would consult each other in order to determine the appropriate jurisdiction of residence.

Example: Leila was born in Nova Scotia, but left Canada with her family at the age of five. Now, many years later she is coming back to study in Canada, in New Brunswick, and is requesting a Canada Student Loan.

As Nova Scotia was the last province that Leila resided in before leaving Canada (or her parents if she is a single dependent student), Nova Scotia would be the province of residence and would be responsible for doing the need assessment.

1.4 Designated Post-secondary Educational Institutions

Students must be enrolled in post-secondary educational institutions designated for the purposes of the Canada Student Loans Program. There is a list of these institutions on the CanLearn.ca website. The programs of study must be recognized by the province or territory and lead to a degree, diploma, or certificate. Designated educational institutions can include those located outside of Canada.

Cooperative programs

Provinces or territories may consider students in cooperative programs for loans when work terms make up an essential element of a program of study.

Correspondence and distance education programs

Students in correspondence and distance education programs or other programs with a non-traditional form of delivery may be considered for loans.

Professional training

People are **not** eligible for loans, grants or interest-free status when they are in practical training required to gain acceptance in a profession or trade, such as a medical internship or residency, a dietetic internship, or legal articling unless that training is part of the requirements to complete a degree, diploma or certificate from a designated educational institution.

1.5 Program Length

A full-time student's program of study must be at least 12 weeks within a time frame of 15 weeks. Each study period (period of enrollment) must be no less than 6 consecutive weeks and no more than 52 consecutive weeks. Please note the following exceptions:

If a student is enrolled in a program with courses of less than six weeks...

The student may be eligible for full-time loans if the courses make up an essential element in a program of study which is at least 12 weeks long and takes place within a time frame of 15 consecutive weeks.

If a student is enrolled in courses during the spring and summer...

The student may be eligible for full-time loans, as long as the courses make up at least 60% of a full course load for that period.

1.6 Full-time Enrolment

Full-time students must be enrolled in courses that make up at least 60% of a full course load for each study period.

Students with permanent disabilities must be enrolled in courses that make up at least 40% of a full course load.

The Regulations define a course as:

“... means formal instruction or training that constitutes, or is determined by a designated educational institution to be equivalent to, an essential element of a program of studies at a post-secondary school level at that institution, but does not include any formal instruction or practical training required for acceptance in a professional corporation or for the practice of any trade or profession unless that formal instruction or practical training is necessary to obtain a degree, certificate or diploma from that designated educational institution.”

Example A: If the post-secondary educational institution and the province or territory both recognize a full course load as 5 courses, then 60% of a full course load would be 3 courses.

Example B: If the post-secondary educational institution and the province or territory recognize a full course load as 25 contact hours a week, then 60% of a full course load would be 15 contact hours a week. (Contact hours refers to the total number of in-class hours.)

No course load averaging is permitted when determining the percentage of courses needed to qualify for loans.

Example C: If a student is taking 80% of a full course load in the first term and 40% in the second term, the two terms cannot be averaged to 60% for each term.

If a student is enrolled in courses at two designated educational institutions...

If the student has a combined course load of 60%, they may be eligible for loans, as long as one or both of the institutions recognizes the student as full-time.

Note: Meeting only 60% of a course load over several study periods can make it difficult to complete a program of study within the “periods of study + 1” limit described in Section 1.7 Duration of Loan Assistance.

1.7 Duration / Limitations on Student Financial Assistance

Three distinct policies apply limits on student financial assistance:

1. The 'study periods + 1' limit restricts the amount of funding that a student can receive to complete a particular program of study.
2. The satisfactory scholastic standard is used to establish the academic progress that is required to receive further funding for any program of study.
3. The lifetime assistance limit sets a ceiling on the overall assistance a student can receive.

These limits can work independently or in combination with one another.

For instance, a borrower who switches programs of studies, who failed to maintain a satisfactory scholastic standard in their past program, may become restricted if they fail to maintain a satisfactory scholastic standard in the early stages of their new program, regardless of having not approached the number of years normally required for completion of the new program ('study periods + 1' limit). Conversely, a borrower who requires more than five years to complete a four year program may reach the 'study periods + 1' limit despite having maintained a satisfactory scholastic standard.

Study periods + 1 limit

For each program of study in a particular field, such as a Bachelor's degree in history, students are eligible for loans to cover the number of study periods the institution specifies it usually takes to complete the program, plus one additional study period.

A study period is the interval during which an eligible student is enrolled in courses administered by a designated post-secondary educational institution. The minimum length of a study period is six weeks and the maximum length is 52 weeks.

This table shows the maximum assistance available to students for various programs of study:

Student's Program of Study	Normal Duration	Maximum Assistance
Certificate	6 months	1 year
Certificate	1 year	2 years
Diploma	2 years	3 years
Undergraduate Degree	3 years (4)	4 years (5)
Consecutive Qualifications	Example: two, 4-year degrees	10 years

If a student does not use their “+ 1” study period when completing their program of study...

They may not carry it forward to a separate program of study.

If a student withdraws from their program of study before completing it...

The number of study periods completed will count towards their periods of study + 1 limit.

If a student transfers between programs of study....

If it is in the same/similar field where credits earned from the first program are transferable, the same period of study + 1 limit applies. If the new program is in a different field, the period of study + 1 should be reset for the new program.

If a student repeats a study period solely to improve grades...

They will not be eligible for student loans.

Satisfactory scholastic standard

Students must maintain a satisfactory scholastic standard to be eligible for Canada student loans. This is defined as the successful completion of at least 60% of a full course load at the post-secondary level (40% of a full course load for students with permanent disabilities). All courses must lead to a degree, diploma, or certificate.

Example: If the educational institution and the province or territory recognize a full course load as five courses, a student must successfully complete three, or 60%, of the courses to maintain a satisfactory scholastic standard. If that same full-time student is only enrolled in three courses, they must successfully complete all three courses.

Provincial-territorial jurisdictions that lack information specific to borrowers' course completion may use early withdrawal from studies as a proxy for determination of failure.

If a student does not maintain a successful scholastic standard...

The province or territory should apply the following rules:

Tier	Scholastic Situation	Consequence
1	Failure to achieve satisfactory scholastic standard during one study period	Student put on probation; remains eligible for loans and grants in subsequent loan year
2	Failure to achieve satisfactory scholastic standard during a second study period*	Student loses eligibility for loans and grants for 12 months
2	Failure to achieve satisfactory scholastic standard during a third study period*	Student loses eligibility for loans and grants for 36 months

* Students who fail to achieve the satisfactory scholastic standard in consecutive study periods will proceed to the next tier. For failures in non-consecutive study periods, individual provinces-territory, at their discretion, may take into account past failures to determine which tier to apply. For example, after having regained eligibility following a restriction, if a borrower fails again, a province-territory may put the borrower on probation (not taking into account past failure) or apply the next tier of restriction (taking into account past incidences).

To regain eligibility for loans and grants, the borrower must meet the satisfactory scholastic standard during the unfunded study period (restriction period) if still in school.

The borrower's loan must also be up to date.

If a student switches programs during their study period...

The satisfactory scholastic standard applies to all programs of study and all study periods for which the loan was awarded.

If a student has a temporary illness or disability...

The student may be exempted from the satisfactory scholastic standard for that period.

If a student withdraws from studies within 30 days...

The study period is not considered a failure and does not count towards the restriction.

If a student failed due to extenuating circumstances...

The province or territory can use their discretion whether or not to consider such a failure as part of the student's satisfactory scholastic standard.

Lifetime assistance limit for full- and part-time students

Full-time students are no longer entitled to receive further financial assistance (loans, grants, or in-study interest free status) once they complete a study period in which they reach/exceed their maximum of 340 weeks of financial assistance over the entire course of their post-secondary education. This includes all weeks of study for which a loan, grant or interest-free status was granted. The maximum amount of Canada Student Loan is \$210 per week of study or \$10,920 a year for a 52-week study period. The lifetime maximum is \$71,400 for 340 weeks of study.

Part-time students do not have a maximum number of weeks. However the maximum loan limit is \$10,000, excluding interest.

Students who reach the \$10,000 part-time loan limit remain eligible to receive Canada Student Grants.

If a full-time student withdraws from their program of study before completing it...

The number of weeks completed is counted towards their lifetime financial assistance limit of 340 weeks.

If a part-time student withdraws from their program of study before completing it...

The amount of the loan provided is counted towards the maximum loan amount of \$10,000 for part-time students.

Exceptions to financial assistance limits

The following students are exempt from the standard limits for financial assistance:

- PhD candidates are eligible for an additional 60 weeks, for a maximum lifetime financial assistance limit of 400 weeks.
- Students with permanent disabilities are exempt from the study periods + 1 limit. They also have a lifetime financial assistance limit of 520 weeks.
- Students who began receiving Canada Student Loans before August 1st, 1995 are eligible for financial assistance up to a lifetime limit of 520 weeks. They also have the study periods + 1 limit. For example, a third year student in a 4-year program would be eligible for loans for up to 2 more years of study to complete their program.
- If a student reaches their lifetime financial assistance limit they may apply for payment deferral if they are in full-time studies. During this period interest will accrue on their full-time, as well as part time (if they have a part-time loan), loans.

1.8 Credit Screening

Students 22 and older applying for loans for the first time must pass a credit check prior to negotiating their loans. The following makes a student ineligible for a Canada Student Loan. Serious credit abuse is defined as follows:

- In the 36 months before applying, the student missed payments on at least three debts and

- Each debt was higher than \$1,000 and
- Each debt was more than 90 days overdue and
- The student had control over the circumstances which led to the missed payments.

1.9 Other Restrictions on Eligibility

Delinquency restrictions

Borrowers who are 90 or more days in arrears are restricted from receiving additional assistance from the CSLP (including Canada Student Loans, Canada Apprentice Loans, Canada Student Grants, interest-free status, and the Repayment Assistance Plan) until their loans are brought up to date.

Borrowers can take some of the following actions to bring their loans up to date:

- making a payment or payments (this includes payment in full);
- capitalizing outstanding interest which then will be added to the principal;
or
- receiving RAP (including through backdating).

Default restrictions

The point at which loans are considered to be in default differs according to loan type:

- Direct loans default upon reaching 270 days in arrears.
- Lenders (financial institutions) determine when risk-shared loans are in default.
- Guaranteed loans fully default upon having fallen 90 days into arrears.

Direct and Guaranteed loans in default are sent to the Canada Revenue Agency (CRA) for collection. Once an account is with CRA, borrowers are restricted from all forms of further assistance and must rehabilitate their accounts in order to have the restrictions removed. (Note: This would also apply to Risk-Shared Put-Back loans that reside with CRA)

To rehabilitate a loan that has gone to Canada Revenue Agency for collection, the borrower must take the following steps:

- Contact the NSLSC for requirements;
- Make payment arrangements with CRA;
- Repay all interest owed on your loan;
- Make the equivalent of two monthly payments on the loan (the amount of the monthly payments is set out in the borrower's repayment schedule with CRA);
- Once the payment is complete, contact CSLP for confirmation on loan rehabilitation; and
- Ensure that CRA repayment requirements are up to date until rehabilitation request is approved by CSLP.

Examples of loan rehabilitation

Example 1: One lump sum payment

Pat would like to rehabilitate his loan so that he can return to school. Right now he earns less than \$20,000 a year. His loan balance is \$17,680 -- \$15,000 in principal and \$2,680 in interest.

Pat has negotiated with CRA for a monthly repayment amount of \$70. This only covers the monthly interest on his loan. To immediately rehabilitate his loan, Pat makes one lump sum payment of \$2,820. This covers the \$2,680 in outstanding interest plus his two negotiated monthly payments of \$70.

His loan is now rehabilitated and returned for continued repayment. Pat can now access further loans, grants, repayment assistance, and in-study benefits.

Example 2: Paying the outstanding interest and two monthly payments

Cory would like to rehabilitate her loan in order to improve her credit rating. She earns \$40,000 a year. Her loan balance is \$21,925 -- \$20,000 in principal and \$1,925 in interest.

Cory's standard monthly payment at consolidation was \$230, which is also the monthly amount set out in her repayment schedule with CRA. To rehabilitate her loan, Cory chooses to make three payments:

- one immediately to cover her outstanding interest of \$1,925

- one in the current month to cover one of her required monthly payments of \$230
- a final payment a month later for \$230.

Once these amounts have been paid, her loan is rehabilitated.

Example 3: Multiple payments

Levi earns \$30,000 a year. His total loan balance is \$17,680 -- \$15,000 in principal and \$2,680 in interest. His monthly payment, set out in the CRA repayment schedule, is \$175.

To rehabilitate, Levi arranges with CRA to make interest-only payments until the outstanding interest on his loan balance is paid. Levi and CRA calculate that it would take about 15 monthly payments of \$175 to bring his outstanding interest up to date, plus \$70 per month to cover the monthly interest that accrues on his **loan balance over that period. That makes his total monthly payment towards interest alone \$245.**

Once the interest has been paid up to date, Levi must still make two payments of \$175 to fully rehabilitate his loan.

Government set-off and lump-sum payments in relation to rehabilitation

In certain instances, CRA places liens on borrowers' income tax refunds (government set-off) to be applied to their student loan debt. Borrowers can also make lump-sum payments toward their CRA-held debts, prior to making repayment arrangements.

If a government set-off or lump-sum payment amount is applied on a loan (covering outstanding interest and the equivalent of two payments) but there was no borrower communication regarding rehabilitation or payment arrangement made with CRA before the set-off or lump-sum payment occurred, contact is required between the borrower and CRA (in which the borrower requests rehabilitation) before such rehabilitation can be considered.

If a payment arrangement between the borrower and the CRA has been formally entered into before the government set-off or lump-sum payment amount is received, it counts toward the payment of all outstanding interest as well as the equivalent of two monthly payments.

No portion of the government set-off is to be returned to the borrower, even if the government set-off amount exceeds the minimum required payments. The remainder of the non-refundable set-off payment is applied to principal.

If the effective date of rehabilitation is prior to when the government set-off was applied, the full amount of the government set-off will be returned to the borrower.

The effective date of rehabilitation is when the second monthly payment is received at the CRA and that CSLP has confirmed that the borrower has met all requirements.

All discussions or queries regarding set-offs and lump sum payments should be directed to the CRA.

Restrictions for bankruptcy, consumer proposals, orderly payment of debts

Borrowers whose student loans have been included in an assignment in bankruptcy or consumer proposal must wait three years after the date of Absolute Order of Discharge to apply for financial assistance from the CSLP. Borrowers whose student loans have been included in a provincial arrangement for the orderly payment of debts may apply for financial assistance from the CSLP once they receive their Satisfaction Piece. However, borrowers who are in full-time studies when filing for bankruptcy, orderly payment of debts, or consumer proposal may be eligible for up to three more years of CSLP assistance, provided they remain in the same program of studies.

A copy of the Absolute Order of Discharge, Satisfaction Piece, or Certificate of Full Performance must accompany the application. See **Chapter 7: Bankruptcy** for further details.

Restrictions after a finding of guilt

Student borrowers who by reason of conduct in obtaining or repaying a student loan are found guilty of an offence under any Act of Parliament, as of the day of the finding of guilt, will not be eligible for further financial assistance provided by the CSLP until either:

- Five years have passed since the day of the finding of guilt; or

- A pardon has been granted for the original finding.

Administrative Measures: 1 – 5 year restrictions and immediate repayment

If a person knowingly makes false statements, misrepresentations, or omissions in order to get student financial assistance, they may be restricted from financial assistance provided by the CSLP for one to five years. This includes loans, grants, repayment assistance, and in-study interest-free status. In some cases, the CSLP may decide to make loans and/or grants immediately repayable.

The CSLP sets the restriction period based on the amount of award a person received in excess to what they were eligible for, if the person was not a qualifying student, and/or if a previous administrative measure was taken against the person.

CSLP must give the borrower 60 days' notice of any administrative measure to be taken. The measure comes into effect on the 67th day.

The person affected by the administrative measure can make a submission to the Minister of ESDC at any time. If new facts are established, the measure may be changed or removed.

Repayment Assistance Plan (RAP) restrictions

There are three types of RAP-related restrictions: RAP Stage 2, RAP-Permanent Disability (RAP-PD) and RAP affordable payment. (See Chapter 5 for details on RAP Stage 2, RAP-PD and the RAP Missed Affordable Payment).

Severe Permanent Disability Restriction

Borrowers whose loans are forgiven under the Severe Permanent Disability Benefit are permanently restricted from receiving further assistance from the CSLP. See section 6.5 for further details.

1.10 Eligibility for Part-time Student Loans

The eligibility requirements for part-time loans are the same as for full-time loans except in these areas:

Part-time enrolment

A student is considered to be part time when taking between 20% and 59% of a full-time course load. Students with permanent disabilities taking between 20% and 39% of a full-time course load are considered part-time. Students with permanent disabilities taking between 40% and 59% of a full-time course load can elect to be in full-time or part-time status.

Study period length

There is no minimum length requirement for a study period.

Residency

The province or territory of residence of a part-time student is where they have last lived for at least 12 months in a row, not including time as a full-time post-secondary student.

A student who has lived in a jurisdiction for less than 12 months in a row, having relocated to be with their spouse or common-law partner may be funded by the new jurisdiction. Refer to **Section 1.3 Residency**, for details.

Satisfactory scholastic standard

The requirements for maintaining a satisfactory scholastic standard include continued enrolment and the successful completion of all courses for which funding was issued. Students who have not successfully completed Canada Student Loan funded courses may be reinstated to receive Canada Student Loan funding provided they successfully complete one semester funded through their own resources.

The exceptions applicable to the full-time satisfactory scholastic standard policy, as related to changes in program of studies, illness or disability, withdrawal within thirty days of commencement of studies and failure due to extenuating circumstances (see **Section 1.7**) are also applicable to part-time students.

Need assessment

Need assessment is not calculated in the same way for part-time students. Eligibility for loan assistance is determined based on income levels. Provinces

and territories calculate the student's allowable educational costs to determine the loan amount.

Chapter 2: Need Assessment

2.1 Purpose

This chapter explains the need assessment process for full-time students under the Canada Student Loans Program. It also explains the differences in approach for part-time students and students with permanent disabilities. All need assessment for the CSLP is conducted by provincial and territorial student aid offices.

The need assessment process determines:

- Whether a student qualifies for assistance based on need
- The amount of assistance granted.

There are four steps in the need assessment process for full-time students:

1. Identify the student's category.
2. Assess the student's costs.
3. Determine the student's resources.
4. Calculate the student's need.

Note: When an applicant feels that extenuating circumstances might warrant an adjustment to their assessment, they may request a review. See **The Loan Review Process** in **Chapter 3.6: Loans**.

The chart on the following pages gives an overview of the need assessment process. The rest of the chapter describes each item in more detail.

2.2 Need Assessment Overview

Item	Student category					Notes
Student category: (X = applicable to this category)	SDH	SDA	SI (H/A)	M/CL	SP	SDH = Single Dependent student living at Home SDA = Single Dependent student living Away from home SI = Single Independent student (H/A: Home and Away) M/CL = Married or Common-Law student SP = Single Parent Student
Costs for study period						
1. Tuition and compulsory fees	X	X	X	X	X	Actual amount.
2. Books and supplies	X	X	X	X	X	Actual or allowances, subject to \$3,000 maximum. Includes federal maximum of \$300 for computer costs.
3. Student living allowance	X	X	X	X	X	This is a standard allowance that is regionally based, See Appendix A, Table 3 .
4. Return transportation		X				Standard allowance, regionally based.
5. Child care				X	X	Actual cost or allowances. This is subject to the ceilings in Appendix A, Table 4 .
6. Other allowable costs	X	X	X	X	X	Actual amount (documentation where appropriate).
7. Discretionary costs	X	X	X	X	X	Discretionary (documentation where appropriate).

Resources							
8. Pre-study period contribution	X	X	X	X	X	Greater of 80% of discretionary income from pre-study period and the minimum spousal contribution (if applicable) for the student category. See Appendix A: Table 6A, and 6C for spouses.	
9. Contribution from in-study period	X	X	X	X	X	100% of net income in excess of \$100 per week of study (see Appendix A: Table 6B, also see Chapter 2.5, Sources of Income which include Educational Assistance Payments from RESPs). 70% of spousal contribution (or minimum spousal contribution, if applicable) in excess of \$100 per week of study (see Appendix A: Table 6C for spouses, also Chapter 2.5, Sources of Income which include Educational Assistance Payments from RESPs). 100% of merit-based scholarship awards and bursaries, less a maximum \$1,800 exemption	
10. Assets of student and spouse or common-law partner	X	X	X	X	X	Actual less \$2,000 for each year out of secondary school.	
a) RRSP							
b) Other financial assets	X	X	X	X	X	Actual amount	
11. Parental contribution	X	X				Weekly contribution based on family income and size.	
a) Income							
b) Assets	X	X				See note below on discretionary costs and adjustments to resource assessment.	
12. Targeted resources	X	X	X	X	X	Actual amount (includes other targeted resources)	
Assessed need = Total costs minus total resources							

Standard allowances (Items 1 – 5):

Students in all provinces and territories are assessed the standard allowances for these items. This standard is designed to accurately assess the needs of the vast majority of students.

Other allowable costs (Item 6):

Provinces and territories may assess other allowable costs if they receive documentation showing that the student's actual total living costs exceed the total of the standard allowances.

Other discretionary costs (Item 7) and adjustments to resource assessment:

Provinces and territories may consider discretionary costs and make adjustments to resource assessments in response to documented emergency and extraordinary circumstances that would prevent a student from continuing studies. These adjustments are subject to a \$2,000 limit.

2.3 Step One: Identifying a Student's Category

Single dependent student

Single students who meet each of the following criteria are considered to be financially dependent on parents, guardians, sponsors, or other supporting relatives:

- Never have been married or in a common-law relationship and
- Never have been a single parent with legal custody and financial responsibility for supporting a child and
- Be pursuing post-secondary education within four years of leaving secondary school or the student has never been in the labour force full-time for 2 years. The two years need not be consecutive. However, each year of work must be 12 months in a row.

Note: The unwillingness of a parent to assume financial responsibility for the student does not affect the student's identification as dependent.

If the student lives away from home...

Students who go to school within 25 kilometers of their parents' home are considered 'single dependent living at home'.

A province or territory may exercise discretion if such a student shows a legitimate reason for living away from home, such as:

- The parents have sold the family home and moved to a 1-bedroom.
- The family home is not accessible by local transit.

Single independent student

Single students are considered independent if one of the following applies:

- There is no parent, guardian, sponsor, or other supporting relative, due to death or disappearance; or
- The student has been out of secondary school for four years; or
- The student has been in the labour force full-time for two years. The two years need not be consecutive. However, each year of work must be 12 months in a row; or
- The student's family status has changed. For example, a marriage or common-law relationship has ended, or the child of a single parent student is no longer in their care.

Married or common-law student

Married or common-law students meet **one** of the following criteria:

- They are legally married; or
- They have been living in a conjugal relationship for at least one year.

Support from the spouse or partner:

The need assessment of students who are identified as married or in a common-law relationship assumes a financial contribution from the spouse or common-law partner. If the spouse or partner is unwilling to assume financial responsibility for the borrower, this does not affect the identification of the student as a married or common-law student.

Changes in family status:

If a marriage or common-law relationship ends, the borrowing student is considered to be either an independent student or a single parent student. The student's status cannot revert to dependent student.

Single parent student

Students identified as single parents are those who have legal and physical custody and responsibility for supporting a child. They must not currently be married or in a common-law relationship.

If a single parent student shares custody...

Single parent students who share physical custody and financial support with the other parent are still identified as single parent students. In this case, the province or territory may require separation agreements as supporting documentation, so that they can confirm the agreement and determine how to pro-rate allowances.

If a student supports a child but does not have custody...

Students who provide financial support for a child for whom they do not have or share physical custody will fall into one of the categories other than single parent student.

2.4 Step 2: The Student's Costs will be assessed

In this step we discuss:

- Education costs
- Living costs
- Other allowable costs
- Discretionary costs.

For information on married and common-law couples who are both students, see **Cost Exceptions for Married and Common-law Couples who are Both Full-Time Students, Chapter 2.4.**

Assessment periods and award periods

Provinces or territories assess the student's costs for each study period during the loan year for which the student is enrolled. However, provinces and territories can disburse allowances at regular intervals, such as monthly, quarterly, or each semester.

Assessing living costs monthly or weekly

Provinces and territories can assess living costs on either a monthly or a weekly basis. In this section of the manual, we refer to monthly assessment. If the province or territory assesses costs on a weekly basis, divide the monthly allowance by 4.3.

If a student lives away from home for a part of the study period and at home for the rest of the study period...

In these cases, assess living allowances proportionately.

If a student is enrolled in two institutions during a study period...

Include the total cost of tuition, compulsory fees, books, and supplies at both institutions. The first institution is the one at which the degree, diploma, or certificate is to be received. Courses taken at the second institution must be credited toward the degree, diploma, or certificate to be received from the first institution. Both institutions must be designated under the Canada Student Loans Program.

Education Costs

Tuition and compulsory fees

Provinces and territories assess tuition and compulsory fees based on the actual amount payable to the educational institution.

Compulsory fees can include:

- annual admission fees required when submitting applications
- student council fees
- student services fees
- field trip costs
- examination fees
- graduate thesis costs

- other amounts payable by students to the educational institution which are obligatory for their course of study
- membership fees for professional or other societies

When a third party pays tuition directly to an educational institution...

Assess this as a targeted resource. See **Step 3, Chapter 2.5: Determining a Student's Resources, Targeted Resources.**

Books and supplies

Provinces and territories can assess the actual amount for books (including costs associated with e-books), supplies, and computer-related costs, up to a maximum of \$3,000 for each loan year. Or, the province or territory can establish average amounts, up to the maximum, by institution, faculty, course, or level of studies. The specific books and supplies required may vary from one program to another.

Included in this maximum are computers and computer-related costs. These are assessed at a federal maximum of \$300 per loan year.

Living Costs

Student living allowances

The monthly student living allowances for each category of student are in **Appendix A: Table 3**. These standard allowances are intended to cover costs for shelter, food, local transportation, and miscellaneous expenses. They have been established using data for each province and territory from national databases, and are based on the student's living situation and the province or territory where they will be studying.

If a student has dependants...

The total monthly living allowance for each dependant is added to the student's living allowance (see **Chapter 2.5, Step 3: Determining a Student's Resources** for definition of wholly dependent).

If a student shares custody of a child...

Assess the student living allowance for the single parent student category, plus the dependant's monthly shelter allowance for the entire assessment period. Assess the rest of the dependant's living allowance only for those weeks or months when the child actually lives with the single parent student.

If two students share custody of a child...

Identify both students as single parent students. Assess both the shelter allowance for dependants for the entire assessment period. Assess the rest of the dependant's living allowance as shared between the two students, based on the time the child actually lives with each student.

If a student studies outside of Canada...

They are assessed costs based on their province of residence in Canada.

Return transportation for single dependent students

Dependent students living away from home are allowed one return trip to their permanent home for each period of 16 weeks. There is a limit of two return trips per loan year.

The cost of the trips is based on the most economical means of available transportation, up to a maximum of \$600 for each trip, or \$1,200 per loan year. Or, provinces or territories may assess a standard allowance by adding a flat rate to the student living allowance, up to the annual maximum.

Childcare

Provinces or territories can provide childcare allowances to married, common-law, and single parent students with dependent children younger than 12.

Provinces or territories can establish a standard allowance or assess the actual costs, based on receipts. The maximum amount allowed for each province and territory is listed in **Appendix A: Table 4**.

Other Allowable Costs

Alimony and maintenance payments

Alimony and maintenance payments may be assessed as a cost to the student. Use the **lesser** of:

- the after tax amount of the payment
- the maximum of the dependant's total monthly allowance from **Appendix A: Table 3**.

Care for wholly dependants other than dependent children aged below 12 years

Provinces and territories can provide care allowances to students who have wholly dependants (see definition of wholly dependant under Parental Contribution of this chapter) other than dependent children aged below 12 years, if such care is required. They must provide documentation from a doctor confirming the need for care. Table 4 in Appendix A can be used as a guideline.

Second residence for married and common-law students

Married and common-law students who demonstrate a necessity to live away from the family home can be assessed for a living allowance on top of the living allowance for their home province or territory.

The additional assessment will be based on:

- the shelter allowance for single students living away from home for the province or territory where the school is located
- one return trip to their permanent home for each period of 16 weeks, up to a total of 2 trips in a loan year
- a maximum cost of \$600 per trip.

Second residence for all categories of students

Provinces and territories can assess a second residence allowance to any student who owns a primary residence and who meets these conditions:

- The home is more than 25 kilometers from school;

- There is no public transportation available; and
- The province or territory agrees that private transportation is not feasible.

Extended local transportation for students living at home

If a student who is living at home must commute to school (or work in the pre-study period) from outside the zone covered by a bus pass, the province or territory can provide an allowance for extended local public transportation. This allowance would be **in addition to** the amount provided for local transportation in **Appendix A: Table 3**.

If a student living at home does not have access to public transit and must drive a car to school or work, the province or territory can provide an allowance for extended local private transportation. This allowance would replace the amount provided for local public transportation in **Appendix A: Table 3**.

Note: In both cases, the amount for extended local transportation should not exceed the shelter allowance for students living away from home but in their home province or territory.

Return transportation for independent and single parent students

Provinces and territories can assess return transportation costs to single independent students and single parent students whose permanent place of residence is their parents' home if they are living away from home solely during the study period. They are allowed:

- One return trip for each study period of 16 weeks
- A total of two return trips in a 12-month period
- A maximum cost of \$600 for each trip

Note: Provinces and territories can allow the cost of a second return trip home within a 16-week period in emergencies such as critical illness or death of an immediate family member.

Relocation costs

Provinces and territories can assess costs for relocating a student to and from school at the beginning and end of the study period. The maximum allowable amount is \$600.

Tuition, books, and supplies for part-time study

Provinces and territories can assess the tuition fees paid for part-time courses, as well as required books and supplies, taken during the pre-study period. These costs can be added to the student's total assessed costs for the pre-study period as long as both of the following conditions are met:

- The student did not receive other government financial assistance for the course; **and**
- The course is required for the program of study in which the student is enrolled full-time. **Example:** Tuition fees paid for a summer or intersession course.

Full and part-time student loan repayments

During the pre-study period, provinces and territories can assess the student's cost of repaying full-time government student loans.

If applicable, the province or territory can also assess the loan repayment costs of the student's spouse or common-law partner, in both the pre-study period and the study period of the applicant.

Government part-time loan repayments may be assessed as an allowable expense for both a student and a spouse or common-law partner in both the pre-study and the study periods.

Provinces or territories can assess the total amount of the minimum payments required under a consolidation agreement. There is no allowance for lump sum payments.

Medical, dental, and optical costs

Provinces or territories may allow out-of-pocket costs for dental, medical, and optical expenses that are greater than the amounts provided in the student living allowance or covered under any insurance plan.

Parent of a single dependent student who is also a student

If the parent of a single dependent student is also applying for a student loan on their own behalf, the province or territory can add the cost of their parental contribution for their child to their own living costs.

Discretionary Costs

Provinces or territories may, on a case-by-case basis, allow for discretionary costs in situations that are unique to a province or to a particular group of applicants, if they are not covered by the previous criteria. Provinces and territories should use the principles of fairness and reasonableness to assess these situations.

Provincial / territorial discretion, whether in waiving a contribution, deducting an expense, or awarding an additional loan, must not exceed \$2,000. Provinces and territories could deem the following costs allowable:

- Amounts for supplies
- Amounts for books and supplies over the maximum allowed cost
- High living costs for shelter or food
- Room and board for independent students living at home
- Medical expenses due to unforeseeable events and emergencies
- High alimony or maintenance payments
- House repairs
- Funeral costs
- Legal expenses

Cost Exceptions for Married and Common-law Couples who are Both Full-Time Students

Student living allowance

Assess each student half of the total monthly living costs for married or common-law partners in school. For any month when only one of the two is a student, assess that student the full amount of the total monthly living costs.

Childcare

Assess each student half of the actual cost of childcare for the months when both students are in school. For any months when only one is a student, assess that student the full amount of childcare, subject to the ceilings listed in **Appendix A: Table 4**.

Other Allowable Costs

If the cost applies to only one partner, such as medical or dental costs, assess that student separately. If the cost is a shared cost, assess each student half of the total amount for the months when both are in school. When only one student is in school, assess that student the full amount.

2.5 Step 3: Determining a Student's Resources

In this step we discuss how to determine the resources from which a student is expected to draw to help meet the assessed costs of their education. Resources include:

- Student income
- Student assets
- Parental income and assets
- Targeted Resources.

For information about how income is assessed for married and common-law students when **both** are students, see **Resource Exceptions for Married and Common-law Couples who are Both Full-time Students, 2.5**.

Student Income

Students are expected to contribute to their education by working full-time during their pre-study periods and to contribute from income earned during their study periods. The spouses and partners of married and common-law students are also expected to make a contribution.

Sources qualifying as income

Assess the following items as income:

- Net income from employment, including commissions, bonuses, tips and gratuities
- Net income from self-employment, such as a small business, farming, fishing
- Government funding that is not targeted for educational costs, such as benefits from Employment Insurance, Canada Pension Plan, Old Age Security, Workers' Compensation, and social assistance.
- Severance packages
- Investment earnings, such as interest and dividends
- Pension, superannuation and insurance benefits
- Cashed-in Registered Retirement Savings Plans
- Income from insurance settlements
- Spousal support or child support payments received
- Income received as an inheritance
- Income received as a foster care provider
- Merit-based scholarships (less an exemption of \$1,800).
- Need-based bursaries. The eligibility criteria are based on need but they are not targeted for a specific element of the costs of living or education.

Note: To be assessed as income, the bursary's eligibility criteria must **not** depend on the amount of unmet need that remains following the provision of federal and provincial loans.

Items to exclude from income

Do not assess the following as sources of income:

- Income tax refunds
- Child benefits, such as the Canada Child Tax Benefit, provincial/territorial child benefits, the Disabled Contributor's Child Benefit, and Surviving Child's Benefit.
- Universal Child Care Benefit (UCCB)
- GST/HST credits

- Refundable tax credits such as provincial sales tax credits, Property Tax Credits, Alberta's Oil Energy Tax Refund, B.C. Energy Rebate, Ontario Taxpayer Dividend
- Hepatitis "C" compensation payments
- Indian Residential School payments
- Need-based bursaries that are based on the amount of remaining unmet need after the student has received the maximum available amount of federal and provincial loans. These bursaries are generally offered by a provincial or territorial government. In some cases, they are offered by a private sector source through an educational institution.
- Registered Disabled Savings Plan
- Personal Education Credits from the Indian Residential School Settlement Agreement

Income from the pre-study period

The contribution expected from the pre-study period is the **greater** of:

- 80% of the student's discretionary income from the pre-study period (discretionary income is defined as net income minus total living costs for the period). For married and common-law students, add 80% of the spouse or partner's discretionary income for the same period.

or

- The established minimum student contribution for the student's category. See **Appendix A: Table 7**.

Note: (e.g. when a spouse or common-law partner is out of the work force caring for a child 12 months or younger, provinces or territories may reduce their pre-study contribution on the initial assessment).

If a single dependent student lives at home during the study period...

The minimum student contribution is based on the parents' place of residence.

If a single dependent student is away working...

If a single dependent student is away from the parents' home working full-time during the pre-study period, the minimum student contribution is based on the province or territory where the student is working.

Income from the study period

The contribution expected from the student during the study period is limited to:

- 100% of the student's net income during the study period, less an exemption of \$100 per week.
- Educational Assistance Payments (EAPs) from Registered Educational Savings Plans;
- Targeted government and private funding (e.g., training allowances from the skills portion of Employment Insurance (Part II), Post-Secondary Student Support Program funding, room and board provided by an employer while a full-time student, etc.); and
- Merit based scholarships and needs-based bursaries (e.g., university entrance scholarships, doctoral fellowships, and private sector scholarship funds).

See details on EAPs and merit based scholarships and needs-based bursaries under **Sources Qualifying as Income**.

Exceptions for scholarships and bursaries:

There is a combined exemption of up to \$1,800 per loan year for merit-based scholarships and need-based bursaries. In the case of bursaries, the eligibility criteria must not depend upon the amount of unmet need that remains after receiving federal and provincial loans. Any amount above \$1,800 is considered to be income and is assessed at 100%.

Exceptions for targeted resources:

The \$100 exemption does not apply to targeted resources—funds provided to help cover education-related costs. See **2.5, Targeted Resources** later in this chapter.

Spouses and common-law partners who are not students are expected to contribute the greater of the following:

- 70% of their net income (see **Sources Qualifying as Income**)

or

- A minimum spousal contribution. See **Appendix A: Table 7**.

To calculate the student's total contribution for the study period, add the spousal contribution to the student's own contribution during the study period.

Note: When a spouse or common-law partner is out of the work force caring for a child 12 months or younger, provinces or territories may reduce their pre-study contribution on the initial assessment.

Exceptions for scholarships and bursaries:

There is a combined exemption of up to \$1,800 per loan year for merit-based scholarships and need-based bursaries. In the case of bursaries, the eligibility criteria must not depend upon the amount of unmet need that remains after receiving federal and provincial loans. Any amount above \$1,800 is considered to be income and is assessed at 100%.

Exceptions for targeted resources:

The \$100 exemption does not apply to targeted resources—funds provided to help cover education-related costs. See **2.5, Targeted Resources** later in this chapter.

Student Assets

Both, student's and spouse/common-law partner's assets are considered as resources for the purpose of the need assessment. Provinces / territories may assess assets before or after the pre-study period.

Registered Retirement Savings Plans (RRSPs)

Assess the full net worth of all RRSPs less \$2,000 for each year that the person has been out of secondary school.

Exception: Money in a locked-in RRSP (usually the transfer value of pension benefits from a former employer's pension plan) is not counted as an asset.

Other financial assets

Assess the full net worth of all other financial assets, including:

- Cash
- Checking and savings accounts
- Provincial savings bonds and Canada Savings Bonds
- Corporate bonds
- Guaranteed Investment Certificates
- Treasury bills
- Mutual funds

A student's principal residence is not considered an asset.

Parental Contribution

The amount that parents are expected to contribute to their children's education costs is calculated based on family size, income and the number of post-secondary students in the family. The parents' discretionary income is calculated by taking the net parental income and subtracting the 'moderate standard of living', which is updated annually.

After subtracting the moderate standard of living to determine the parents' 'Annual Discretionary Income', a percentage of this figure is set as the weekly parental contribution for the duration of the study period.

If the family has two or more dependent children in post-secondary studies, the parental contribution is divided by the number of children in post-secondary studies. Finally, the parental contributions are incorporated into a student's assessment of financial resources, regardless of whether parents contribute this amount or not.

Definition of 'parent':

For assessment purposes, the term parent includes natural parents, step-parents, legal guardians, and sponsors. The term sponsors include people who sponsor immigrants to Canada.

To determine family size:

The family consists of the student applicant, other dependants and wholly dependent persons, and the parents themselves. Apply the definition of single dependent children at the beginning of this chapter and the definition of wholly dependent persons.

Wholly dependent person

A person is wholly dependent on the borrower, or the borrower's spouse or common-law partner if the dependent person:

- Resides in Canada
- Resides with the borrower or is in a health care facility

A wholly dependent person is either:

- under 18 years of age; or
- dependent by reason of a mental or physical infirmity

The term can include:

- The borrower's spouse/common-law partner
- A child or grandchild of the borrower
- A child or grandchild of the borrower's spouse or common-law partner
- The parent, grandparent, brother, sister, uncle, aunt, niece or nephew of the borrower
- The parent, grandparent, brother, sister, uncle, aunt, niece, or nephew of the borrower's spouse or common-law partner

Note: The borrower **must** have claimed the wholly dependent person for tax purposes and Canada Revenue Agency (CRA) must have accepted the person as being wholly dependent upon the borrower or their spouse or common-law partner.

Required documentation:

- A letter from a health care practitioner explaining the nature of the disability, when the condition occurred, and the care required.
- For dependants 18 and older, a copy of the most recent tax form substantiating CRA approval of the wholly dependent person.

Determining parental contribution

Parents of single dependent students are expected to make a contribution to their children's education from their income. Parental contributions vary by family income and size, but do not depend on the living situation of the student.

Calculate the parental contribution:

Determine Discretionary Income by subtracting the Moderate Standard Of Living (MSOL) from after-tax income. MSOL is the estimated cost of living for the parents of dependent students. It takes into account family size and includes the cost of shelter, food, household operation, child care, furnishings and equipment, clothing, transportation, health and personal care, reading material, life insurance premiums, pension contributions, charitable donations and other miscellaneous expenses.

Appendix A: Table 8 provides estimates for parents' MSOL by region and number of children. These values are based on Statistics Canada's *Family Expenditure Survey*.

Determine the weekly parental contribution based on Discretionary Income by using either the formula or amounts outlined in Appendix A: Table 9. Multiply this by the number of weeks in a student's study period.

If parents have two or more dependent children in post-secondary education...

Divide the weekly contribution by the number of children to determine the weekly contribution for each child.

Multiply the weekly contribution for each child by the number of weeks in that child's study period.

No reduction of the parental contribution or increase of the parents' Moderate Standard Of Living will be considered on the initial assessment. **Chapter 3: Loans** outlines the circumstances under which a parental contribution may be reduced.

Parental Assets

Parental assets are not included in the need assessment process. However, provinces or territories can, at their discretion, assess a contribution from parental assets.

Targeted Resources

Targeted resources are those provided to help with specific educational costs. They are assessed at 100%. These may include funds received from municipal, provincial or federal governments, the private sector, or from an individual. The funds could be paid directly to the educational institution (for instance, to cover tuition), or they could be paid directly to the student.

Examples of government-funded targeted resources:

- Training allowances from the Skills Development portion of Employment Insurance benefits
- Social assistance payments intended to cover education-related costs
- Native Band funding provided by the Post-Secondary Student Support Program (PSSSP) specifically for educational purposes

Examples of privately-funded targeted resources:

- Sponsorship or training allowances provided by an employer to attend post-secondary studies
- Room and board provided by an employer while a full-time student
- Subsidy or bursary for childcare received only because the parent is a full-time student

Examples of targeted resources from an individual:

- Voluntary contributions from a spouse or common-law partner, family members, or from students themselves that exceed assessed contributions.

Resource Exceptions for Married and Common-law Couples who are Both Full-Time Students

Income from pre-study period

Assess each student's contribution by dividing in half the greater of the following:

- 80% of the students' combined actual discretionary income
- The established minimum student contribution for married and common law students. See Appendix A: Table 7.

Income from study period

Each spouse or common-law partner should be assessed half of the combined monthly net income for the months when they are both students:

1. Combine the net income from both students
2. Deduct \$200 per week of study.
3. Assess each student at 50% of the contribution.

For months when only one spouse or common-law partner is studying, assess that student the full amount of the couple's monthly net income.

RRSPs

Assess each student's resource contribution separately. Assess the full net worth of all RRSPs less \$2,000 for each year that the student has been out of secondary school. Each student is entitled to the deduction on the net worth of the RRSPs that each owns.

Exception: Money in a locked-in RRSP (usually the transfer value of pension benefits from a former employer's pension plan) is not counted as an asset.

To determine the contribution for each student:

1. Combine the assessed contributions.
2. Divide by the number of months in the study period.
3. Assess each student half of the contribution for the months when they are both in school.

For months when only one is attending school:

Assess that student the full amount of the RRSP contribution.

Other financial assets

Assess each student half of the contribution for the months when they are both in school:

1. Assess the full net worth of all other financial assets without deduction.
2. Divide the assessed amount by the number of months in the study period.

For months when only one is a student:

Assess the attending student the full amount of the contribution.

Other resources

Assess these separately for each student.

2.6 Step 4: Calculating a Student's Need

Subtract the total assessed resources from the total assessed costs.

If the figure is negative: The student is considered to have sufficient resources to finance their education and does not qualify for financial assistance.

If the figure is positive: The student is eligible for financial assistance from federal and provincial student aid programs for the calculated figure. In general, the CSLP funds 60% of a student's assessed need with provincial or territorial programs covering the remaining 40%. CSG funding is first applied against the federal portion of need and the remainder is provided in loans, up to the \$210 CSL weekly loan limit.

CSLP permits students to request and receive grants only or a combination of grants and loans, including less CSL funding than their eligible amount.

Overawards

If a student has, in the past, received overawards, the amount they received in excess of their entitled loan will be deducted from the amount for which they are eligible for assistance.

Example:

This example is based on a \$1,000 overaward from the previous year:

Assessed need	Total amount eligible for assistance	Overaward	Amount awarded after adjusting for the overaward:
\$11,900	\$11,900	\$1000	Adjusted need: \$10,900

Only overawards of \$250 and more are subject to recovery. If more than one review is conducted in one loan year, apply this threshold to each review.

For more information on the CSLP policy on overawards, see **Chapter 3.5: Loans, Overawards**.

2.7 Need Assessment for Part-time Students

Eligibility for loan assistance is based on income thresholds and the amount provided is based on the cost of the Program of Studies.

Here we highlight the differences in the steps used to determine need assessment for part-time students.

Identifying a student's category

Part-time students are considered to be dependent on their own income and the income of their spouse or common-law partner. Parental income and assets are not considered.

Determining a student's income

The student (and their spouse or common-law partner, if applicable) must have a gross family income from the previous tax year (January to December) below the thresholds in **Table 10-B of the Annex: Middle Income Thresholds for Determining Eligibility for Canada Student Grants and Part-time Loans Eligibility**.

The assessment for current school year is based on previous tax year e.g. for students applying in the 2015-16 school year use 2014 tax data.

The student's gross income is determined according to the amount calculated on Line 150 of their previous year's tax return.

Income produced by assets should be included in the total gross income calculation. The value of all assets is not taken into account.

Assessing a student's costs

Once a student is deemed eligible based on their income, assess the following allowable educational costs, up to a maximum principal amount of \$10,000:

- Tuition and compulsory fees of the school attended, including membership fees of professional or other societies, if membership is obligatory for the student in their course of study
- Prescribed books and instruments. Provinces or territories may establish average amounts for prescribed books and instruments by institution and faculty.
- Allowance of \$10 per week per course to cover incidentals
- Local transportation allowance to commute to and from classes (established by the province or territory)
- Childcare allowance for expenses incurred to permit part-time study. The amount is the actual or estimated weekly cost incurred to attend classes.

2.8 Need Assessment for Students with Permanent Disabilities

The full-time need assessment process for students with permanent disabilities mirrors the steps for other full-time students except for the process of determining a student's category and assessing their student's. For part-time students, use the process outlined in **Need Assessment for Part-time Students (Section 2.7)**.

Determining a student's category

A full-time, single dependent student with a permanent disability may be identified as an independent student within four years of completing secondary school, if, because of their disability, they took longer than the usual number of years to complete high school.

Provinces or territories may reduce the requisite four-year period to qualify as an independent student by the number of any additional years they may have needed to complete high school.

Example: Jayne is a full-time student with a permanent disability. She took six years to obtain a high school diploma, which normally requires four years. Jayne would only have to be out of high school for two years to satisfy the requirement for independent status.

Note: A student may not always identify themselves as a person with a permanent disability when they make their initial application. If the information is not provided initially, the change in category can be made on the review.

Assessing a student's costs

There are some exceptional education-related costs for students with permanent disabilities, such as equipment and services. These are assessed according to the eligibility criteria outlined in **Chapter 4: Grants, Canada Student Grant for Services and Equipment for Students with Permanent Disabilities**.

Chapter 3: Loans

3.1 Purpose

This chapter covers the following topics:

- The loan application process
- How funds are disbursed
- Overawards
- The loan review process
- Reviewing a student's category
- Reviewing a student's costs
- Reviewing a student's resources
- Reviewing a student's assessed contribution
- Reviewing a parent's assessed contribution
- Loan repayment.

3.2 The Loan Application Process

1. Students must apply for full-time Canada Student Loans to the province or territory where they are considered to reside. (See **Chapter 1.3: Eligibility Criteria, Residency**).
2. The province or territory assesses the application. (See **Chapter 2: Need Assessment**). The province or territory approves eligible applicants and rejects applicants who do not demonstrate financial need.
3. The province or territory issues approved applicants an MSFAA if the student has not previously signed an MSFAA, or if two years have passed since the student's last studies end date. Approved applicants read, sign and forward their MSFAA (with completed banking information) to the NSLSC. Note: Certificates of Eligibility will only be issued when the federal portion of assessed need has been determined to be greater than \$100 for the study periods.

Once the province or territory receives confirmation from the NSLSC that the MSFAA is complete, the province or territory either confirms enrolment and sends the NSLSC an electronic certificate (E-Cert), or sends an E-Cert to the NSLSC for confirmation of enrolment through the NSLSC ECE Portal, or through the provincial process for provincial and federal funding.

If a student is not receiving a loan or grant but is still enrolled in studies...

To keep their interest-free status and to prevent having to start repaying their loan, these students must also submit a Confirmation of Enrolment (Schedule 2), either through the existing paper process or through the borrower web account at the NSLSC where enrolment will be confirmed electronically for students studying at EIs that are signed up to the NSLSC Portal.

3.3 How Funds are Disbursed

Subject to the following guidelines, provinces or territories may set their own disbursement policies.

Students who have been issued a notice of assessment **could receive CSL for up to the amount** determined in their need assessment as early as one week before classes start, but not before the first day of the month during which classes start (e.g. if classes started on Sept 5, funding could be issued on September 1; if classes started September 12, the earliest funding could be issued is September 5). No CSL can be issued after the last day of the month that classes end.

3.4 Overawards

An overaward is the amount of funding issued to a student in excess of what the student is entitled to receive (see Chapter 4, Section 4.13 for information concerning Grant conversion to loan).

Overawards may result from:

- an increase in, or misreporting of, the student's pre-study or in-study resources
- an early withdrawal from full-time or part-time enrolment
- a drop to less than 60% of a full course load, or less than 20% of a part-time course load

- completing studies earlier than scheduled
- an error in the original assessment.

When a province or territory determines that a student has received an overaward, they should reassess the student's need for the study period. The amount of overaward should be deducted from the student's next assessment / disbursement. Provinces or territories must notify the student of the overaward and explain that there will be a reduction in their next assessment / disbursement.

Provinces-territories should take into consideration any loan / grant assistance already provided prior to disbursing additional loan or grant funding.

Complex cases should be discussed with CSLP.

Exceptions:

- Only overawards of \$250 and more are subject to recovery. If there is more than one review in each one loan year, this threshold would apply to each review.
- Overawards on part-time loans are not typically subject to recovery; however, in cases where a student switches their study status within a semester from part-time to full-time, full-time need should be assessed less any part-time assistance already disbursed for that semester.
- Overawards on full-time loans are not typically recovered from part-time loans; however, in cases where a student switches their study status within a semester from full-time to part-time, part-time funding should be assessed less any full-time assistance already disbursed for that semester.

Reporting overawards to CSLP

The province or territory should report to the Canada Student Loans Program all overawards identified and recovered as of July 31st of the previous loan year. Include the following information in the report:

- The number and value of cases detected, by category of overaward
- the number and value of cases detected, by source of detection. These sources include: pre-verification, post-audits (directed), post-audits (referred from third parties), post-audits (internal referrals), post-audits (data matching)
- the number and value of cases actioned
- the number and value of cases recovered from subsequent loans.

3.5 The Loan Review Process

A loan review is a reconsideration of an initial assessment. Any student may request a review of his or her need assessment. Reviews should be fair and reasonable, within the scope of the principles and criteria outlined in this chapter.

Grounds for review

Provinces or territories should not undertake reviews solely because the applicant feels the award is inadequate. A review could be conducted when:

- A student has provided information or supporting documentation that has either changed or was initially incorrect
- A student believes an error has been made in the application of the loan criteria
- A student has extraordinary circumstances not addressed in the need assessment procedures.

A student's request for review on one ground may cause a review of the entire assessment.

Documentation

Students should submit documentation to substantiate their request for review.

Initiating a review

Provinces or territories can initiate a review at the time of an initial assessment if they are aware of exceptional circumstances.

Deadlines

Provinces or territories can impose deadlines for receiving review requests and processing reviews. In no case, however, can a province or territory issue a Certificate of Eligibility or notice of assessment, if an MSFAA jurisdiction, after the end date of the study period in which the request was received, regardless of the grounds for review.

5% threshold

Not every request needs to result in a review. The circumstance giving rise to the request should create a difference of at least 5% in the student's assessed costs or in the income of the student, spouse, common-law partner, or parents.

The 5% threshold is a guideline, which may be applied each time there is a request for review.

Review boards

Some provinces and territories use appeal boards or committees to conduct reviews or to reexamine cases that have been reviewed by the province. These bodies must also adhere to the principles and criteria outlined in this chapter in order to:

- Determine that the province has correctly applied the need assessment and review criteria or
- Determine that the province had incorrectly applied the criteria and refer the case back to the province for further consideration.

3.6 Reviewing a Student's Category

Dependent student's family breakdown

A student's category may be changed from dependent to independent when there is a family breakdown that goes beyond the normal disagreements between parents and children.

Circumstances that are beyond normal disagreements include such things as sexual, physical, or psychological abuse of the student by one or both parents. The breakdown would have resulted in the student leaving the family home or being removed by a social service agency.

A third party (such as a social service agency) must confirm the breakdown.

Required documentation:

1. The student must provide a written statement on the fact that the breakdown occurred, and the date the student left or was removed from home.
2. Also required is a statement from a third party (preferably a professional) who was directly involved with the situation and who can corroborate the student's statement.

Requested documentation:

1. If possible, a statement from the parents confirming the breakdown
2. If possible, proof that the parents have not, since the family breakdown, claimed any education deductions transferred from the student for income tax purposes.

Required documentation in subsequent years:

The student must provide a signed statement confirming that the family situation has not changed with each subsequent application.

3.7 Reviewing a Student's Assessed Contribution

Timing of review

In most cases, a request for a reduction in the assessed student contribution cannot be considered before the start of the study period. However, if the student has not had any employment in the pre-study period, provinces or territories may conduct a review less than one month before the start of classes.

The initial assessment provides for pro-rating allowances for students who know that their living situation will change during the pre-study or study period. If the adjustments were not done at that time, they can be done on review.

Unforeseen changes in a student's living situation may also be adjusted on review.

Method of reducing the assessed student contribution

Below we describe circumstances that might affect a student's work-related contribution on review. Student contributions should not be reviewed if a choice was made not to work in order to travel or pursue unpaid work or recreational activities.

To reduce the minimum student contribution:

Change the average weekly work hours in the formula used to calculate minimum student contribution to the number of actual weekly hours worked.

Could not find any employment

Students may request a review when:

- They failed to find work during the pre-study period; or
- A spouse or common-law partner failed to find work during the pre-study, the study period, or both.

Documentation required:

The student should show evidence of efforts to obtain employment, such as a list of employers to whom applications were submitted.

Not employed full-time for all of pre-study period

Students may request a review when:

- They failed to find full-time work during the pre-study period; or
- They worked for only part of the pre-study period; or
- Their spouse or common-law partner could not find full-time work during the pre-study or study period.

Documentation required:

Both the student and their spouse or partner should show evidence of efforts to obtain full-time employment, such as a list of employers to whom applications were submitted.

Also required is a statement from the employer setting out the length of employment, as well as hours and wages.

Unable to work due to illness, injury, or disability

A student may request a review if a temporary illness or disability prevented them or their spouse or partner from working during the required periods

Documentation required:

- Certificate from a physician stating the period of time during which the student or spouse/common-law partner was unable to work due to illness, injury, or disability.

Olympic training

A student may request a review of their work-related contribution if they or their spouse or partner were sponsored by Sport Canada and were in pre-Olympic training for Olympic Games.

Documentation required:

Sport Canada must provide written confirmation of full-time training for the Olympic Games.

Unable to work due to incarceration

A student may request a review of their work-related contribution if:

- They were in jail during the pre-study period; or
- Their spouse or common-law partner was in jail during the pre-study or study period.

Documentation Required:

A signed statement from a corrections official, giving the dates of incarceration, is required.

Caring for children

The initial assessment provides for reducing the assessed student contribution when a spouse or common-law partner is staying at home to care for children 12 months or younger.

On review, the assessed spousal contribution may be waived if the spouse or partner is at home caring for a child with disabilities or a chronic or life-threatening illness.

Assets of Student and Spouse or Common-Law Partner

Only assets registered in the student's or the spouse's/common-law partner's name should be assessed. Any debt incurred by the student or the spouse/common-law partner associated with the purchase of the asset should be deducted from the market value to determine the net worth.

Financial Assets

The assessment of the net worth of financial assets registered in the student's name is not subject to review, except to correct information which may have been provided incorrectly on the loan application.

3.8 Reviewing a Parent's Assessed Contribution

Grounds for reducing parental contributions

The refusal by parents, step-parents, or legal guardians to support a child or to contribute to the costs of post-secondary education is not a sufficient reason to waive an assessed parental contribution.

There are circumstances, however, in which parents are simply not able to make the assessed contribution. Parents' inability to contribute may arise because of:

- Unexpected reductions in their income; or
- Unavoidable extraordinary expenses

Annual review and supporting documentation

Cases of parental inability should be reviewed each year, as it is possible that the family's financial situation could change.

Supporting documentation is required for any review of income or expenses.

Calculating a reduced parental contribution

If the parents are unable to contribute, provinces or territories can adjust the calculation of their contribution in two ways:

a) Using estimated income

Parents' estimated income for the loan year may be used in the calculation, rather than income from the previous taxation year.

Here are some examples of situations in which it would be appropriate to use estimated income:

- Loss of employment
- Reduced hours of employment or overtime
- Accident or illness causing temporary unemployment
- Retirement
- Other changes in income from previous tax year such as liquidation of RRSPs in previous year, sale of assets, or other income earned
- One or both parents also registered as full-time students during the assessment period.

b) Reducing disposable income

The parents' disposable income for the previous taxation year may be reduced by the amount of the extraordinary expense.

Here are some examples of unavoidable extraordinary expenses that might justify a reduction in disposable income:

- Alimony and child support
- Child care for dependents with disabilities
- Tuition, books and supplies for part-time study

- Full and part-time student loan payments
- Medical, dental, and optical expenses.

Calculating disposable income when using estimated income

When using estimated incomes to calculate parental contributions, disposable income is calculated using the **Tax Table 6C** in **Appendix A**. These cases should be flagged for audit and verification.

If there are siblings involved, each of their cases should also be flagged for audit and verification.

Parental contribution from assets

Reviews of the assessment of parental assets are at the discretion of the province or territory.

Additional discretionary costs

Provinces or territories may allow for discretionary costs in situations that are unique to a province or to a particular group of applicants, if they are not covered by the previous criteria.

Provinces or territories should use the principles of fairness and reasonableness to assess these situations, which might include, for example:

- High living costs (shelter, food)
- Alimony or maintenance payments greater than the student living allowance for dependent students
- House repairs
- Funeral costs
- Legal expenses.

3.9 Loan repayment

Full-time loans

There is a 6-month non-repayment period from the date which a borrower ceases to be a full-time student and their first loan repayment.

However, interest begins to accrue as of the first day following the Period of Studies End Date (PSED).

Full-time students who have exceeded the maximum number of weeks of student financial assistance are not required to make payments (can defer) while they are in full-time studies, but interest accrues.

PSCD and PSED

According to Canada Student Financial Assistance Regulations...

Period of Studies Commencement Date (PSCD) is the first day of the first month of a borrower's confirmed period of studies.

Period of Studies End Date (PSED) is the last day of the last month of a borrower's confirmed period of studies.

Late Continuation

Late continuation occurs when less than six months have elapsed between a full-time or part-time borrower's previously confirmed Period of Studies End Date (PSED) and the Period of Studies Commencement Date (PSCD) of their current period of studies, but the borrower submits their confirmation of enrolment after more than six months have elapsed.

Example: Borrower finishes their 2013-14 period of studies in April 2014 and returns to studies in September 2014. Only four months have elapsed between periods. However, the borrower does not submit confirmation of enrolment until December 2014, when seven months have elapsed. The borrower has entered repayment status, which could have been avoided if they had submitted their confirmation of enrolment within six months of the end of their previous period.

In instances of late continuation, borrowers incur the interest that has accrued from the day following their last PSED to the date that confirmation of enrolment is received (and not to PSCD). A borrower can opt to capitalize or pay the interest accrued to the day prior to receipt of confirmation of enrolment, as long as their confirmation of enrolment is submitted before their current study period ends.

Reinstatement

Reinstatement occurs when more than six months elapse between the PSED of a full-time or part-time borrower's previously confirmed period of studies and the PSCD of their current period of studies.

Example: A borrower completes their period of studies in April 2013, but does not return to studies until September 2014. Sixteen months have elapsed between periods. The borrower officially discontinued studies, having not returned within their six months non-repayment period. The borrower unavoidably entered repayment status, as they were no longer a student.

In instances of reinstatement, a borrower is required to pay outstanding interest to the day prior to their new PSCD.

By paying their outstanding interest and submitting valid confirmation of enrolment the borrower can enter in-study interest-free status, as long as they are not otherwise restricted. Confirmation of enrolment must be submitted before their current study period ends.

The outstanding interest cannot be capitalized to loan principal.

Part-time loans

Interest does not accrue on part-time loans for students who confirm their part-time enrolment while in studies.

If a student who has received part-time funding becomes a full-time student, confirming full-time enrolment means that interest will not accrue on the student's full-time or part-time loans during studies. However, enrolment in part-time studies does not qualify students for interest-free status on their full-time loans.

Like full-time students, part-time students have a 6-month non-repayment period after they complete their studies before they must make their first loan payment. Interest continues to accrue throughout the non-repayment period.

If a full-time student with a part-time loan reaches their full-time maximum number of weeks' threshold, e.g. 340 weeks, they can defer payments on both full-time and part-time loans for the duration of their full-time study period(s).

Loan consolidation

When a borrower enters repayment their loan consolidates. Consolidation establishes a borrower's interest rate and amortization period. The MSFAA and the Certificate of Eligibility/Student Loan Agreement (SLA), each contain terms of repayment that take effect if the borrower does not actively choose the terms of their repayment. The standard amortization period is 9.5 year.

Borrowers can change the terms of their repayment by completing a **Revision of Terms agreement (ROT)**. They may extend their amortization period to a maximum of 14.5 years or decrease it. There is no minimum amortization period, but the minimum payment a borrower can make is \$25.

Interest Rates

Students can select a fixed interest rate or floating (variable) interest rate.

For Canada Student Loans issued on, or after August 1, 1995:

- The fixed interest rate is prime + 5%; and
- The floating rate is prime + 2.5%.

Prime Rate: This rate is calculated using the interest rates declared by the five largest Canadian financial institutions (the Bank of Montreal, the Canadian Imperial Bank of Commerce, the Bank of Nova Scotia, the Royal Bank of Canada and TD Canada Trust) as their prime rate. The Canada Student Loans Program calculates its prime rate by eliminating both the highest and the lowest of those five rates and taking the average of the remaining three.

For Canada Student Loans issued prior to August 1, 1995: the rates are based on Government of Canada borrowing costs and are published in the Canada Gazette, Part I (also available at CanLearn.ca). The effective interest rates for

August 2013 - July 2014 are 2.250% for loans in Class-A (in-study and 6-month non-repayment period) status and 2.875% for loans in Class-B (repayment) status.

Students can switch from a floating to a fixed rate by signing a new ROT.

However, switching from a fixed to a floating rate is not permitted.

Chapter 4: Canada Student Grants

4.1 Purpose

Canada Student Grants (CSG) are the federal government's family of grants to help targeted groups of students. All grants are designed to improve access and reduce the cost of attending post-secondary education.

The program includes the following grants:

- Grant for Students from Low-income Families (CSG-LI)
- Grant for Students from Middle-income Families (CSG-MI)
- Grant for Full-Time Students with Dependants (CSG-FTDEP)
- Grant for Students with Permanent Disabilities (CSG-PD)
- Grant for Services and Equipment for Students with Permanent Disabilities (CSG-PDSE)
- Grant for Part-Time Studies (CSG-PT)
- Grant for Part-time Students with Dependants (CSG-PTDEP)

This chapter describes the policies for each grant, as well as grant adjustment policies and procedures.

4.2 Applying for a Canada Student Grant

Provinces and territories are responsible for determining and monitoring student eligibility for Canada Student Grants. Students must apply for student financial assistance to the province or territory in which they are considered to reside to be considered for Canada Student Loans and/or Canada Student Grants. A single application is used to determine their assessed need for loans and/or grants. Provinces and territories may allow students to elect to receive only grants.

4.3 General Eligibility Criteria

Later in this chapter, we describe the specific criteria that students must meet to be eligible for each type of grant. Students may be eligible for more than one grant as long as they meet all the required criteria.

For any Canada Student Grant, students must meet the following criteria (as described in **Chapter 1: Eligibility Criteria**):

- Citizenship
- Residency
- Designated post-secondary institutions
- Satisfactory scholastic standard
- Restrictions.

To be eligible, students must have at least \$1 of federal assessed need as determined by the process described in **Chapter 2: Need Assessment**.

The student will only receive the federal award – the combined loan and grant amount – if it is \$100 or more.

4.4 Determining Family Income

The definition of family income for the purpose of assessing grants varies by student category. For example:

- For independent students and single parents, family income is the student's income.
- For dependent students, family income is parental income.
- For married and common-law students, family income is the combined income of the student and their spouse or partner.

Determine total income on Line 150 of the previous year's tax return. To ensure that the program does not double-count split incomes, provinces and territories can also request Line 210 (the deduction for elected split pension amounts).

For independent students, if the income on Line 150 for the applicant, their spouse, or their common-law partner, is zero, or if the applicant did not file a tax return, the

applicant must provide a letter, explaining how the applicant's living expenses are being met, from:

- The family member who is supporting the student (and spouse or common-law partner if applicable); or
- A third party.

4.5 Grant Disbursements

Subject to the following guideline, provinces and territories may set their own disbursement policies.

Canada Student Grants are intended to be disbursed to the students or the educational institution in two portions: once at the beginning and once mid-way through the study period. CSGs can be disbursed as early as one week before classes start, but not before the first day of the month during which classes start (e.g. if classes started on Sept 5, funding could be issued on September 1; if classes started September 12, the earliest funding could be issued is September 5).

Exception: If a student's study period is 17 weeks or less, provinces and territories should disburse 100% of Canada Student Grants up front.

4.6 Grant for Students from Low-income Families (CSG-LI)

Overview

The Canada Student Grant for Students from Low-Income Families (CSG-LI) provides students from low-income families with non-repayable financial assistance for all years of full-time studies in an undergraduate post-secondary program.

Eligibility

To be eligible for this grant, students must:

- Meet the eligibility criteria for full-time student financial assistance as described in **Chapter 1: Eligibility Criteria** and the general eligibility criteria set out at the beginning of this chapter.

- Be pursuing full-time studies leading to an undergraduate degree, certificate, or diploma in a program of at least two years' (60 weeks) duration at a designated post-secondary institution.
- Have total family income for the previous calendar year (January - December) that is equal to or less than the before-tax, low-income thresholds in **Appendix A: Table 10A**.

Grant amount

Eligible students receive \$375 per month of full-time studies, if enrolled in a program of at least 60 weeks duration.

This is a flat amount that may exceed a student's assessed need. For example, if a student has \$2,100 of assessed need, they could still be eligible for a CSG-LI of \$3,000, if they studied in an 8-month study period. In this case, no federal loan would be issued as the amount of need would be fully met.

4.7 Grant for Students from Middle-Income Families (CSG-MI)

Overview

The Canada Student Grant for Students from Middle-Income Families (CSG-MI) provides students in middle-income families with non-repayable financial assistance for all years of full-time studies in an undergraduate post-secondary program.

Eligibility

To be eligible for this grant, students must:

- Meet the eligibility criteria for full-time student financial assistance as described in Chapter 1: Eligibility Criteria and the general eligibility criteria set out at the beginning of this chapter.
- Be pursuing full-time studies leading to an undergraduate degree, certificate, or diploma in a program of at least two years' (60 weeks) duration at a designated post-secondary institution.
- Have total family income for the previous calendar year that is:
 - Greater than the before-tax low-income thresholds in Appendix A:Table 10A, and

- Equal to or less than the before-tax middle-income thresholds in Appendix A: Table 10B.

Grant amount

Eligible students receive: \$150 per month of studies, if enrolled in a program of at least 60 weeks duration.

This is a flat amount that may exceed a student's assessed need. For example, if a student has \$900 of assessed need, they would still receive a CSG-MI of \$1,200 if they studied in an 8-month study period. In this case, no federal loan would be issued as the amount of need would be fully met.

4.8 Grant for Full-time Students with Dependants (CSG-FTDEP)

Overview

The Grant for Full-Time Students with Dependants (CSG-FTDEP) provides non-repayable financial assistance to low-income students to assist with the costs of caring for their dependants while pursuing post-secondary studies.

Eligibility and documentation

There is no separate application form for this grant. To be eligible for the CSG-FTDEP, students must:

- Meet the eligibility criteria for full-time student financial assistance as described in **Chapter 1: Eligibility Criteria** and in the general eligibility criteria set out at the beginning of the chapter.
- Be pursuing post-secondary studies leading to a degree, certificate, or diploma at a designated educational institution on a full-time basis. This includes post-secondary studies beyond the undergraduate level.
- Be in a family where total family income is less than or equal to the low-income thresholds in Table 10A.
- Have a dependent child under the age of 12 (or a dependant with a permanent disability who is 12 or older) at the start date of the study period.

Definition of a dependant

For this grant, a dependant is defined as:

- A child (including an adopted child, a stepchild, or a foster child) who is under twelve years of age and is wholly dependent on the student or the student's spouse/common law partner for support and for whom the student or spouse/common-law partner is, by law or fact, responsible for the care and upbringing; or
- A person with a permanent disability who is wholly dependent on the student or the student's spouse/common law partner for support and for whom the student or the student's spouse/common law partner is, by law or fact, responsible for the care and upbringing.

Provinces and territories are responsible for determining whether an applicant has provided satisfactory proof of responsibility for their dependants. Satisfactory proof includes:

- Proof of the dependant's age.
- Proof of the dependant's permanent disability if they are 12 or older in the form of a medical certificate or documentation proving receipt of federal or provincial disability assistance.

Grant amount

A grant of \$200 per dependant is available for each month of full-time post-secondary studies.

This is a flat amount that may exceed a student's assessed need. For example, if a student with one dependant has \$1,500 of assessed need, they would still receive a CSG-FTDEP of \$200 per month of study. In 8 months of study during a loan year, this would amount to \$1,600.

4.9 Grant for Students with Permanent Disabilities (CSG-PD)

Overview

The Grant for Students with Permanent Disabilities reduces the costs facing students with permanent disabilities when participating in a post-secondary program.

Eligibility and documentation

To be eligible for this grant, students must meet the criteria for students with permanent disabilities, as outlined in the Canada Student Financial Assistance Regulations. Under the regulations, permanent disability means:

“a functional limitation caused by a physical or mental impairment that **restricts** the ability of a person to perform the daily activities necessary to participate in studies at a post-secondary school level or the labour force; and is expected to remain with the person for the person’s expected life.”

Students must provide proof of their permanent disability in the form of:

- A medical certificate or
- A psycho-educational assessment or
- Documentation proving receipt of federal or provincial permanent disability assistance.

In addition, the students must:

- Meet the eligibility criteria for full- or part-time student financial assistance as described in Chapter 1: Eligibility Criteria and all of the general eligibility criteria set out at the beginning of this chapter.
- Be pursuing post-secondary studies on a full or part-time basis at a designated post-secondary institution.

Grant amount

A grant of \$2,000 per loan year is available for each year of post-secondary studies. This includes studies beyond the undergraduate level.

This is a flat amount that may exceed a student's assessed need. For example, if a student has \$1,400 of assessed need and is in an 8-month study period, they would still receive a CSG-PD of \$2,000. In this case, the student's assessed need would be met and no loan is required.

4.10 Grant for Services and Equipment for Students with Permanent Disabilities (CSG-PDSE)

Overview

The Grant for Services and Equipment for Students with Permanent Disabilities (CSG-PDSE) helps offset exceptional, education-related costs associated with permanent disabilities, such as costs for a note-taker, a sign interpreter, or technical aids.

Eligibility and documentation

To be eligible for this grant, students must meet all of the criteria for the Grant for Students with Permanent Disabilities (CSG-PD) described above.

Note: If the initial need assessment did not have at least a \$1 of demonstrated financial need, then the estimated costs for the recommended equipment and/or services can be included in the need assessment. If the financial need is then calculated as at \$1 or more, the student is eligible for CSG-PDSE funding.

Students must complete an additional application form for the CSG-PDSE. They must also submit the following documentation:

- Proof of their permanent disability (unless they already submitted it for their CSG-PD grant)
- A letter from a qualified person confirming that they are in need of exceptional, education-related services or equipment. This person could be a Vocational Rehabilitation Services (VRS) case worker, an official of a centre for students with disabilities, a guidance counselor, or a financial aid administrator at the student's school.
- One cost estimate for the exceptional education-related costs.

Submission and purchase deadlines:

- Students can purchase equipment (and training for that equipment) at any point during their pre-study period and their study period, up until the end of their study period. For example, a student studying from September to April would have from May to April to make their purchase(s).
- For services such as note-taking, the purchase period is between the student's study start date and end date.
- Students must provide receipts before the end of the study period. When a student purchased equipment or a service prior to approval, only the receipt needs to be submitted upon application.

Timing of Receipts:

- Students who obtain funds based on the equipment / service quote must provide receipts no later than 30 days after the period of studies end date.
- Students requesting reimbursement for previously purchased equipment / services must provide their application with the purchase receipts in sufficient time to ensure the application is approved and the grant issued prior to the student's period of studies end date.

Note: In all cases, the CSG-PDSE cannot be issued after a student's period of studies end date.

Grant amount

A grant of up to \$8,000 is available for each loan year.

Ineligible expenses

Capital costs are not eligible, such as:

- Vehicle modifications
- Physical alterations to an educational institution
- Physical alterations to a student residence

4.11 Grant for Part-Time Studies (CSG-PT)

Overview

The Canada Student Grant for Part-Time Studies assists low income, part-time students with non-repayable financial assistance to help cover the costs of education.

Eligibility

To be eligible for the CSG-PT, students must:

- Meet the eligibility criteria for part-time student financial assistance and the general eligibility criteria set out at the beginning of this chapter. See Chapter 1: Eligibility Criteria.
- Be pursuing studies leading to a degree, certificate, or diploma at a designated post-secondary institution.
- Have total family income for the previous tax year (January – December) that is at or below the low income thresholds for CSGs (see Appendix A: Table 10A: Low Income Thresholds for Determining Eligibility for Canada Student Grants).
- Have successfully completed all courses in respect of which a grant was previously made to the student.

Grant amount

Eligible students receive up to \$1,800 per loan year (from August 1 to July 31).

The amount of the grant should not exceed a student's assessed need. For example, if a student has \$1,200 of assessed need, the student should then receive a grant of \$1,200.

If there is still unmet need after the full amount of the CSG-PT has been awarded, the student may be eligible for a part-time Canada Student Loan.

Example:

Total assessed need	\$6,000
Student's Federal Assistance	
CSG-PT	\$1,800
Canada Student Loan	+ \$4,200
Total Federal Assistance	= \$6,000
Remaining Assessed Need	\$0

4.12 Grant for Part-Time Students with Dependants (CSG-PTDEP)

Overview

The Canada Student Grant for Part-Time Students with Dependants (CSG-PTDEP) provides non-repayable financial assistance to low-income and high-need students attending post-secondary studies on a part-time basis. These grants assist with the costs of caring for dependants while pursuing post-secondary studies.

Eligibility

To be eligible for the CSG-PTDEP, students must meet all of the following criteria:

- Meet the eligibility criteria for part-time student financial assistance as described in **Chapter 1: Eligibility Criteria** and all of the general eligibility criteria set out at the beginning of this chapter.
- Be pursuing part-time post-secondary studies leading to a degree, certificate, or diploma at a designated educational institution. This includes post-secondary studies beyond the undergraduate level.
- Have:
 - a) **For students with no outstanding CSL-PT:** an assessed need that is greater than \$5,200.

- b) **For students with an outstanding CSL-PT:** an assessed need that is greater than \$4,000 less any outstanding part-time loans, plus \$1,800.
- Be in a family where total family income from the previous tax year is less than or equal to the low-income thresholds in **Appendix A: Table 10A**.
- Have a dependant as defined in section 4.8 on grants for full-time students with dependants.

Grant amount

If a student has 1 or 2 dependants, the CSG-PTDEP provides \$40 per week of part-time study, up to a maximum of \$1,920.*

If a student has 3 or more dependants, the CSG-PTDEP provides \$60 per week of part time study, up to a maximum of \$1,920.*

Financial assistance towards assessed need for eligible students will be provided in the following order: CSG-PT, CSG-PTDEP, CSL-PT.

*A student's financial assistance package (including PT-CSL, and/or CSG-PT, and/or CSG-PTDEP) must not exceed their assessed need.

4.13 Grant Conversion to Loan

Circumstances

There are three circumstances where all or part of a Canada Student Grant will be converted to loan:

1. A student withdraws from studies within 30 days of the first day of class (early withdrawal). For example, if a student's PSCD is September 1, but their first day of class is September 6, the thirty days are counted from September 6.
2. A student changes from full- to part-time within 30 days of the first day of class and no longer meets the eligibility requirements. In the case of the Canada Student Grant for Students with Permanent Disabilities, the change from full-time to part-time status would only trigger grant conversion if the student with a permanent disability no longer has at least \$1 of financial need as a part-time student.

3. On reassessment, a student is found ineligible for a grant they have already received.

Exception: A separate policy for a Grant for Services and Equipment for Students with Permanent Disabilities (CSG-PDSE) is discussed later in this chapter.

Conversion and interest

A grant is converted to loan as soon as the province / territory or the educational institution notifies the National Student Loans Service Centre of the reassessment or early withdrawal.

Interest begins to accrue the day after the study period ends even if the NSLSC is not notified until after the date has passed. In those cases, the interest is back-dated.

Notification

When a grant is converted to loan, the NSLSC sends a notification to the student, indicating the revised total loan balance.

Appeals

A student can appeal the conversion on the grounds that there has been an error in recording their date of withdrawal or change to part- or full-time status. They must appeal within 6 months of the date shown on their notification of the conversion. The appeal must include documentation from the educational institution showing the actual date of withdrawal.

Students can also appeal on the grounds that the withdrawal or change to part-or full-time status was the result of unforeseen and unavoidable circumstances.

Accessing further assistance

The conversion of a grant to loan has no bearing on the borrower's ability to apply for additional financial assistance in the future or to access the Repayment Assistance Program.

Converting to a loan after early withdrawal

If a student withdraws early, they are required to repay, as a loan, all parts of the grant that have already been disbursed for that period of studies.

If a second disbursement has not yet been issued, it is cancelled. If the NSLSC does not receive a notification of early withdrawal until after a subsequent disbursement for the same period of studies, this part of the grant will also be converted to loan.

If a student withdraws after the 30 day period...

The Canada Student Loans Program assumes that the student has made a reasonable effort to complete the study period as a full- or part-time student. The student keeps any part of the grant already received. The midpoint disbursement is cancelled.

If the student withdraws due to permanent disability...

Students with permanent disabilities who provide written documentation to the Canada Student Loans Program showing that the withdrawal was required because of conditions pertaining to the permanent disability can have the conversion to loan reversed.

Conversion to a loan after a change from full-time to part-time

If a student changes from full-time to part-time within 30 days of the start of the study period, they are required to repay, as a loan, all parts of the grant that have already been disbursed for that period of studies.

If a second disbursement has not yet been issued, it is cancelled. If the NSLSC does not receive a notification of early withdrawal until after a subsequent disbursement for the same period of studies, this part of the grant will also be converted to loan.

If a student changes to part-time after the 30 day period...

The Canada Student Loan Program assumes that the student has made a reasonable effort to complete the study period as a full-time student. The student

keeps any part of the grant already received. Any remaining disbursements are cancelled.

Students who change to part-time studies are eligible to apply for grants for part-time students.

Note: The Canada Student Grant for Students with Permanent Disabilities is not dependent upon the student's full or part-time status. The \$2,000 grant is based on the student's continued permanent disability eligibility and confirmation of at least \$1 of demonstrated financial need when assessed as a part-time student.

Conversion to a loan after an assessment review

Provinces and territories are responsible for:

- Verifying the accuracy of student information
- Reassessing financial need
- Addressing student appeals of their assessment review.

Students are responsible for providing accurate and complete information and for reporting any change to the information they provided as soon as they become aware it.

Chapter 2: Need Assessment describes the factors that contribute to need assessments and reassessments. Verification of factors such as income and assets may not be concluded until several months after the student receives the grant.

Factors that could affect need assessment include:

- Family income as defined earlier in this chapter
- Pre-study period income
- Student, parental and spousal assets
- Information on dependants.

Note: Changes to in-study income is not a factor in determining if a grant should be converted to loan upon reassessment. The CSLP does not want to create a disincentive for students to pursue part-time employment while studying.

If the province or territory determines that the information on a student's initial need assessment is inaccurate, other than instances of increased income during the in-study period, and correcting the information results in the student's ineligibility for a grant, all or part of the grant is converted to a loan.

The student is required to repay any part of the grant that has already been disbursed for that study period. Any disbursements that have not yet been issued are cancelled.

In some cases, a student may still be eligible for a lesser amount of grant. For instance, if a student originally received a CSG-LI, and family income is corrected in a reassessment, the student may still be eligible for the CSG-MI. In this case, the amount of grant to be converted to loan would be the difference between these two grants.

4.14 Repayment of a Grant for Services and Equipment for Students with Permanent Disabilities (CSG-PDSE)

A CSG-PDSE overaward cannot be converted to loan.

On a case by case basis, if the overaward was \$250 or more based on receipts provided by the period of study end date, a province or territory may require full or partial repayment of a grant or the return of equipment, when:

- the grant was issued in error,
- the student ceased to meet the eligibility criteria for the grant during the period of studies
- the student withdraws early from full-or part-time studies, or
- the grant was not used for the intended purposes.

Failure to comply with the provincial or territorial request to return the CSG-PDSE funding or equipment may result in the denial or reduction of future CSG-PDSE awards.

4.15 Full-Time and Part-Time Borrower Assistance Grant Scenarios

FULL-TIME GRANT SCENARIOS			
Examples:	Full-time Middle-Income Graduate Student with a Permanent Disability	Full-time Middle-Income Undergraduate Student With One Dependant	Full-time Low-Income Undergraduate Student With Two Dependents
<u>Student's Assessed Need:</u>	\$14,000	14,000	\$14,000
Federal portion (60%)	\$8,400	\$8,400	\$8,400
Provincial/territorial portion (40%)	\$5,600	\$5,600	\$5,600
<u>Student's Grant Assistance</u>			
CSG-LI	N/A	N/A	$\$375 \times 8 = \$3,000$
CSG-MI	N/A	$\$150 \times 8 = \$1,200$	N/A
CSG-PD	\$2,000	N/A	N/A
CSG-FTDEP	N/A	N/A	$(\$200 \times 2) \times 8 = \$3,200$
<u>Total CSG Assistance</u>	\$2,000	\$1,200	\$6,200
<u>Federal Loan Assistance</u>			
<u>(Maximum Loan for 34 weeks: \$7,140)</u>	\$6,400	\$7,140	\$2,200
<u>Notes:</u>			
<ol style="list-style-type: none"> Scenarios assume a standard 8-month (34 week) study period with federal assistance and provincial loan assistance only as provincial grants vary by jurisdiction. Loan funding is determined after eligible grants deducted from assessed need. Maximum federal full-time loan amount is \$210 per week. 			

PART-TIME GRANT SCENARIOS			
<u>Examples:</u>	Part-time Middle-Income Graduate Student with a Permanent Disability	Part-time Middle-Income Undergraduate Student With One Dependant	Part-time Low-Income Undergraduate Student With Two Dependents
<u>Student's Assessed Need:</u>			
Federal portion (100%)	\$11,000	\$11,000	\$11,000
<u>Student's Grant Assistance</u>			
CSG-PT	\$0	\$0	\$1,800
CSG-PD	\$2,000	\$0	\$0
CSG-PTDEP	\$0	\$0	(\$40*34)=\$1,360
<u>Total CSG Assistance</u>	\$2,000	\$0	\$3,160
<u>Federal Loan Assistance</u>			
<u>(Maximum Loan: \$10,000)</u>	\$9,000	\$10,000	\$7,840
<u>Total Assistance</u>	\$11,000	\$10,000	\$11,000
<u>Notes:</u>			
<ol style="list-style-type: none"> 1. Scenarios assume a standard 8-month (34 week) study period with federal assistance only. 2. Loan funding is determined after eligible grants deducted from assessed need. Maximum federal part-time student loan principal amount is \$10,000. 			

Chapter 5: The Repayment Assistance Plan

5.1 Purpose

This chapter outlines the various features of the Repayment Assistance Plan (RAP) for Canada Student Loan borrowers, including:

- RAP Overview
- RAP Eligibility
- RAP for borrowers with a Permanent Disability
- RAP Application Process
- RAP Adjudication Process
- RAP Proof of Income Requirements
- Termination and Reduction of a RAP Period
- Missed Affordable Payment During RAP
- Re-evaluation of a RAP Decision

Appendix: RAP required payment, affordable payment formulas, monthly thresholds and increments table and determining income and family size.

5.2 RAP Overview

RAP is based on the following principles:

- Ability to pay: Eligible borrowers will be allowed to make a reduced or zero payment calculated based on family income and family size.
- Repayment period: No borrower on RAP will have a repayment period greater than 15 years or 10 years for those with a permanent disability.

Enrollment in RAP and RAP-PD is not automatic. Borrowers must apply and, if approved, will receive repayment assistance for a period of six months. In the event

that repayment assistance is required after the six month period, borrowers will need to reapply.

RAP is tailored to the needs of borrowers based on the length of time they have been in repayment and on their ability to repay. There are two types of repayment assistance available:

1. The Repayment Assistance Plan (RAP); and
2. The Repayment Assistance Plan for Borrowers with a Permanent Disability (RAP-PD).

If approved for RAP or RAP-PD, borrowers receive a reduced payment or make no payment at all for the six month RAP term.

RAP is available through the NSLSC for all full-time and part-time Canada Student Loans and Canada-Provincial Integrated loans. In addition, direct provincial loans from Alberta and Nova Scotia and participating Financial Institution loans are also eligible to be processed through the NSLSC if the borrower has a corresponding NSLSC loan.

Borrowers with Direct Loans issued by Manitoba after August 1, 2001 and/or loans from Alberta or Nova Scotia without a corresponding NSLSC loan must complete a separate provincial RAP application for those provincial loans, and borrowers with loans from Prince Edward Island can apply for different repayment assistance programs on those provincial loans.

Repayment Assistance Plan (RAP)

RAP is meant to assist borrowers who are experiencing difficulty repaying their student loans. Under RAP, financial difficulty is determined by comparing a calculated affordable monthly payment to a calculated required monthly payment. If the affordable payment is less than the required monthly payment, the borrower qualifies for RAP and makes only the affordable payment. Those who are approved for RAP can obtain the following benefits:

RAP Stage 1:

- Federal and provincial governments cover the interest amount owing that a borrower's monthly RAP payment does not cover. A borrower eligible for RAP could receive this benefit for up to 60 months. This period ends between five and ten years after a borrower enters repayment.

RAP Stage 2:

- For those on RAP for at least 60 months or in repayment for at least 10 years principal and interest not covered by the borrower's monthly RAP payments is covered by the federal and provincial governments. To determine the Monthly Required Payment, the applicant's loan balance is amortized over 15 years less the amount of time elapsed since the borrower's most recent PSED. This serves to ensure that a borrower on RAP does not have student loan debt remaining after a period of 15 years.

Repayment Assistance Plan for Borrowers with a Permanent Disability (RAP-PD)

RAP-PD is similar to RAP in that it is designed to assist borrowers experiencing difficulty meeting their repayment obligations. Those who are approved RAP-PD can obtain the following benefits:

- RAP-PD borrowers proceed directly to Stage 2 whereby the government covers the principal and interest not covered by the borrower's monthly RAP payments. To determine the Monthly Required Payment, the applicant's loan balance is amortized over 10 years less the amount of time elapsed since the borrower's most recent PSED. This ensures that a borrower on RAP-PD does not have remaining student loan debt after a period of 10 years.
- Eligible RAP-PD borrowers are allowed to claim disability-related expenses, which are taken into consideration when the RAP-PD application is assessed. See Section 5.5 for further details regarding RAP-PD.

5.3 RAP Eligibility

Eligibility to apply

- In order to be eligible to apply for RAP and RAP-PD, a borrower must reside in Canada. Borrowers are also eligible to apply if they and / or their spouse / common-law partner are:

- Canadian Forces reservists stationed abroad on designated operations; or
 - Participating in an International Internship Program for a year or less.
- The borrower must be at least six months from their Period of Study End Date (PSED).
 - The borrower's Canada Student Loans and Canada Apprentice Loans must be brought up to date before receiving RAP. However, borrowers who have missed six or fewer monthly payments could still be eligible to apply if they backdate their RAP application. The NSLSC can backdate a borrower's application for up to six months if the borrower's gross monthly family income qualifies in the month prior to the month of application. Borrowers who have missed seven to nine monthly payments could use a combination of backdating and one of the following in order to bring their loan up to date, which would allow them to once again become eligible to apply for RAP and RAP-PD:
 - make up any missed student loan payments;
 - capitalize any outstanding interest which will then be added to the principal of their student loan to a maximum of three months. The option to capitalize interest can be used only once throughout the duration of a borrower's repayment period; or
 - make interest-only payments. Interest-only payments are offered in intervals of up to six months, but can be taken over shorter durations. A borrower is entitled to a maximum of twelve interest-only monthly payments over the entire repayment of their loan.
 - Canada Student and Canada Apprentice Loans must not be in default. If in default, a borrower can become eligible to apply for RAP once they have rehabilitated their loan(s) (see Section 1.9).
 - The borrower must not be restricted by an Administrative Measures restriction, or by reason of conduct in obtaining or repaying a Canada Student Loan (or Canada Apprentice Loan) have been found guilty of an offence under any Act of Parliament (see Section 1.9, Restrictions).

Eligibility for Stage 1

Borrowers are eligible for Stage 1 if **all** of the following apply:

- The first day of the month in which they applied for RAP is within 10 years of them ceasing to be a student.
- The borrower has not received 60 cumulative months of RAP or Interest Relief since ceasing to be a student.

Eligibility for Stage 2

Borrowers are eligible for Stage 2 if **any** of the following apply:

- The first day of the month in which they applied for RAP is at least 10 years after they ceased to be a student.
- The borrower has received at least 60 cumulative months of RAP or Interest Relief since ceasing to be a student.
- The borrower has received a Debt Reduction in Repayment.

5.4 RAP Application Process

Where to apply

RAP and RAP-PD are approved for six month periods. A borrower must apply for each period by submitting an application either on paper by mail or fax, or through the on-line application process.

- Borrowers can get a paper application from www.canlearn.ca, the financial institution holding the borrower's loan or by calling the NSLSC to request an application form; or
- Borrowers can apply online if they have an NSLSC account (eRAP).

When to apply

Borrowers are eligible for their first RAP or RAP-PD term six months after their PSED. Borrowers can apply within the calendar month before they enter repayment, and the NSLSC will hold their application until it is eligible.

To remain on RAP, borrowers must resubmit RAP applications at the end of each six month RAP term. Borrowers can apply within the last month of their RAP term and the NSLSC will hold their application.

If a borrower requires RAP at another point, they can reapply anytime during their loan repayment period.

Where to submit the application

The process for submitting a RAP application depends on the loan regime under which a borrower's student loan was issued:

- If borrowers have only direct student loans, they must submit their application to the NSLSC.
- If borrowers have only guaranteed and / or risk-shared loans, they must submit their application to the financial institution(s) holding the loans. In such cases, the financial institution(s) will adjudicate the application.
- If borrowers have both guaranteed or risk-shared loans and direct loans, they must submit their application to the NSLSC. The NSLSC determines eligibility and informs the borrower and financial institution(s) of the outcome.

5.5 Repayment Assistance Plan for Borrowers with a Permanent Disability

RAP-PD provides repayment assistance that is accelerated and that considers the additional living costs faced by people with permanent disabilities. Qualifying borrowers proceed directly to the second stage of RAP whereby the government covers any shortfall between their affordable and required payment (principal and interest, as applicable). If the applicant reapplies and continues to have an affordable payment which is less than the required payment, their loan is gradually reduced over a period of 9.5 years from the end of the non-repayment period.

Eligibility and documentation

Eligibility criteria for RAP-PD is similar to that of RAP, with the exception that those applying for RAP-PD must have a permanent disability status verified by CSLP. The Act defines permanent disability as a functional limitation caused by a physical or mental impairment that restricts the ability of a person to perform the daily activities necessary to participate in studies at a post-secondary school level or the labour force and is expected to remain with the person for the person's expected life.

If they have not already verified their permanent disability with CSLP, they must provide proof of their permanent disability through the RAP-PD Verification of Permanent Disability Questionnaire and related documentation.

Once verified, all future RAP-PD applications will not require verification of a permanent disability.

Borrowers who have a permanent disability may have extra expenses that could impact their monthly payment and, therefore, could affect their eligibility for RAP-PD. When borrowers apply for RAP-PD, they have the option of submitting receipts or statements for their permanent disability-related expenses through the Disability-Related Expenses Form. To be eligible, expenses must be uninsured, directly related to their permanent disability and be paid for during the month or months for which they are required to state their gross monthly family income (which would be their previous month's income if their loan is up to date or in arrears, or the current month's income if applying a month early, for example during the last month of an active RAP period or in the last month prior to entering repayment).

Application process

The application process is the same as the application process for RAP, with these exceptions:

- If the borrower and NSLSC are waiting for confirmation of permanent disability, the borrower's RAP application will be processed as if it is an application for Stage 1 or Stage 2 RAP. If the borrower meets the eligibility criteria, they will be placed on RAP pending notification of permanent disability status.
- If it is determined mid-way through the borrower's approved Stage 1 or Stage 2 RAP period that the borrower meets the permanent disability criteria, the borrower's approved period will be allowed to finish. All subsequent RAP applications will be processed for RAP-PD.

Eligible disability-related expenses

The assessment for RAP-PD will take into consideration medical and living expenses that are directly related to the borrower's permanent disabilities. These may include medical, housing, special care, or other expenses.

Medical expenses must be prescribed by a licensed medical practitioner.

Applicants with health insurance can include any uninsured portion that they are required to pay out of pocket.

Restrictions from further loan disbursements

Borrowers who have a RAP-PD restriction are restricted from receiving further financial assistance from the CSLP until their loans are paid in full (see Section 5.6 for details).

Borrowers who benefit from RAP-PD are not restricted from receiving in-study, interest-free status or interest deferral, further RAP-PD benefits or SPDB.

5.6 RAP Adjudication Process

The RAP calculation

Based on the RAP calculation, there are three possible scenarios or outcomes for the duration of each six-month RAP or RAP-PD term:

- The borrower is approved for RAP or RAP-PD and is not required to make any monthly payments (\$0 Monthly Affordable Payment);
- The borrower is approved for a reduced monthly loan payment (greater than \$0 Monthly Affordable Payment); or
- The borrower is not approved for RAP or RAP-PD.

These potential outcomes are based on two components within the RAP calculation process:

1. Monthly Required Payment; and
2. Monthly Affordable Payment.

If the Monthly Affordable Payment is smaller than the Monthly Required Payment, the borrower receives RAP.

Monthly Required Payment: The Required Payment is determined by re-amortizing a RAP applicant's student loan payments based on the type of RAP the borrower is eligible to receive:

- For RAP Stage 1 and RAP-PD applicants, the Monthly Required Payment is calculated by re-amortizing the outstanding student loan balance a borrower has over 10 years less the time elapsed since the PSED plus the number of months of RAP Stage 1 received since the PSED. For example, *if a borrower is eligible for RAP Stage 1 and has been in repayment for three years (i.e. 3.5 years since PSED) and has received one year of RAP Stage 1 (i.e., two six-month terms), the borrower's remaining principal would be re-amortized over the 7.5 years.*
- For RAP Stage 2 applicants, the Monthly Required Payment is calculated by re-amortizing the applicant's loan balance over 15 years less the time elapsed since the PSED.

Monthly Affordable Payment: The Affordable Payment portion of the RAP calculation is determined by a formula used to help calculate a borrower's ability to pay by taking into consideration the following:

- Family income (see 5.v)
- Family size;
- Applicant's share of the total family government loan debt (all Canada Student Loans, provincial student loans and Canada Apprentice loans held by the applicant and his / her spouse / common law partner); and
- Permanent disability related expenses for applicants eligible for RAP-PD.

The formula for the Monthly Affordable Payment ensures that a borrower approved for a RAP term does not have to pay more than 20% of their gross monthly family income to service their federal student loan, provincial student loan, and/or apprentice loan debt (see 5.ii).

\$0 Monthly Affordable Payment

The applicant's family income together with the number of dependants (family size) is evaluated against the Monthly Threshold and Increments Table (see 5.iv). This table establishes RAP applicants who will have a \$0 Monthly Affordable Payment, i.e. not have to make any payments during their six month RAP term (see 5.ii). For example, the Monthly Threshold and Increments Table indicates that a RAP applicant who has a family of three and whose family monthly income is less than \$4,205 would be approved for a RAP term with a monthly payment of \$0.

Greater than \$0 Monthly Affordable Payment

In the event that a RAP applicant's family income (given family size) falls above the amount indicated in Monthly Threshold and Increments Table, a Monthly Affordable Payment is calculated (see 5ii). The Monthly Affordable Payment is then compared with the Monthly Required Payment. In the event that Monthly Affordable Payment is less than the Monthly Required Payment, the borrower is awarded a RAP term with a monthly RAP payment greater than \$0.

A Refused RAP Application

A borrower who has a Monthly Required Payment equal to or less than the Monthly Affordable Payment would not be approved for a RAP term and would be required to continue to make their regular loan payments.

Payment Schedule

When a borrower is approved for RAP, the borrower's regular payment schedule is temporarily modified during the RAP term to reflect the approved RAP Monthly Affordable RAP payment schedule.

Each time a borrower re-applies for RAP, their Monthly Affordable Payment will be recalculated so that it accurately reflects their ability to pay at the time of reapplication.

If the RAP term ends and the borrower does not begin a new RAP term, the borrower returns to their regular repayment schedule.

What does a \$0 or reduced payment mean for the borrower?

- If a borrower is on RAP Stage 1 with a \$0 Monthly Affordable Payment, the government covers the interest portion of the Required Payment.
- If the borrower's Monthly Affordable Payment is greater than \$0, the payment is applied first to the principal portion of the Monthly Required Payment. If the Monthly Affordable Payment is greater than the principal, the remainder is applied to the interest portion of the Monthly Required Payment.
- Any principal not covered by the Monthly Affordable Payment is deferred.

If the borrower is receiving RAP Stage 2 or RAP-PD, the government covers any interest and/or principal that is not covered by the Monthly Affordable Payment. As a result, any borrower on RAP to the end of a 15 year repayment term (or 10 for RAP-PD) would have their outstanding student loan balance repaid.

Notifying the borrower

Once a borrower has been approved for RAP or RAP-PD, they are sent a notification which includes:

- the start date of the RAP period;
- the date the RAP period will end; and
- their payment amount during the RAP term (also known as the Monthly Affordable Payment).

Depending on the type of student loan they have received, borrowers are notified as follows:

- Borrowers holding only direct loans would be notified by the NSLSC.
- Borrowers holding only guaranteed loans or risk-shared loans would be notified by the financial institution that holds the loan. Financial institutions also send the notification to the CSLP.
- Borrowers holding a direct loan and/or guaranteed or risk-shared loans would be notified by the NSLSC. The NSLSC also sends the notification to all applicable financial institutions.

Resuming regular payments

The regular repayment schedule resumes if one of the following occurs:

- The RAP or RAP-PD term comes to an end.
- The RAP or RAP-PD term is terminated because of an error made in granting RAP.
- The borrower is restricted from receiving further RAP.

If the borrower resumes full-time studies, they do not have to make any payments towards their CSLP debt and interest does not accrue on their loans as long as they are in-study.

RAP Stage 2 and RAP-PD Restrictions

The RAP Stage 2 restriction occurs when a borrower has received at least one month of RAP Stage 2.

The RAP-PD restriction occurs when a borrower has met both of the following conditions:

1. A borrower has received at least one month of the RAP-PD benefit.

and

2. 60 months have passed since their most recent PSED.

Borrowers who receive RAP Stage 2 or RAP-PD restrictions are restricted from obtaining further Canada Student Loans and Canada Student Grants until their student loans have been paid in full.

Borrowers with RAP Stage 2 or RAP-PD restrictions are not restricted from receiving in-study interest-free status, interest deferral, SPDB or further RAP benefits.

5.7 RAP Proof of Income Requirements

Income verification ensures that there are effective measures in place to encourage accurate reporting of a RAP applicant's financial situation and to identify misuse.

Proof of Income (POI)

As part of the RAP application, applicants must attest to their income of the month prior to the month in which their applications are dated and signed,

Borrowers who apply early for RAP, such as prior to entering repayment or during the last month of a current RAP period, must attest to their income of the month in which their application is made.

The paper RAP application form, used by borrowers who do not apply on-line, requires them to attest to their income in the month that the application is dated, as well as the month prior.

Upon receipt of the completed application, a borrower could be selected to provide proof of income (POI) prior to being approved for the six-month RAP or RAP-PD term.

Borrowers who are selected for income verification have their payments suspended and are placed into an exception process whereby the applicant is sent a letter requesting that POI be submitted within 30 days. If the borrower does not submit POI within 30 days, their application will expire and they will therefore be in arrears for any missed payments.

Acceptable proof of income

Borrowers who are selected for verification must submit POI documentation for themselves and the POI of their spouse / common-law partner if applicable. Copies of the following documents are acceptable as proof of income:

- Dated employer pay stubs.
- A record of employment form.
- A letter signed by an employer stating the borrower's monthly income and changes in employment (if applicable).
- Earnings statements for contracted work or business income.
- Documentation showing Employment Insurance, social assistance, or other government assistance earnings.
- Financial institution statements showing Registered Retirement Savings Plans or investment earnings.
- Statements from an accountant attesting to income.

If a borrower has zero income, they must state on their application how they are being supported.

If a borrower is self-employed, they must submit a business income statement, which includes the month in which the application was signed. A business income statement should include:

- The name of the borrower's company and registration number (if applicable);
- A list of the borrower's income and expenses before taxes;
- The borrower's total gross monthly income;
- The borrower's name and Social Insurance Number or account number;

- A monthly bank statement of a business account (a letter from their financial institution, or a letter signed by their accountant is also acceptable).

5.8 Termination and reduction of a RAP Period

Grounds for terminating or reducing a RAP period

There are a number of circumstances under which a RAP or RAP-PD period can be reduced or terminated:

- RAP or RAP-PD was granted in error.
- A RAP period will be retroactively terminated or reduced if the borrower missed one or more payments while on RAP and failed to make up the missed payment(s) within 30 days of completing that RAP or RAP-PD term, at which point the RAP Affordable Payment Restriction takes effect (see section 5.9).
- The borrower knowingly provided false information or misstated their income, including by omission. This may have occurred with regard to declaration of income on the RAP application. In such cases, a borrower may be required to repay any benefits received through RAP and RAP-PD and may be restricted from receiving additional financial assistance from the CSLP (see Chapter 1, Section 1.9, Administrative Measures: 1-5 year restrictions and immediate repayment).
- The borrower has been found guilty of an offence under any federal statute because of conduct in obtaining or repaying a Canada Student Loan and/or Canada Apprentice Loan provided by the CSLP. The Minister or financial institution will terminate the RAP period as of the day of the finding of guilt, and revoke the borrower's right to obtain additional RAP.

Resumption of payments following termination or reduction of a RAP period

Borrowers return to their regular payment schedule during the month following the end of the RAP period.

All of the terms and conditions of the loan agreement will apply upon resumption of loan payments. For example, if the borrower agreed to pay interest at a fixed rate, this would resume following the termination of the RAP period.

RAP repayment in cases of borrower error

If the NSLSC or CSLP determines that RAP or RAP-PD was approved due to an error by the borrower in reporting income, repayment assistance can be reduced or cancelled. The borrower must do one of the following within 30 days of the date of notice from the financial institution, CSLP or NSLSC:

- Repay the amount of repayment assistance that the borrower was not entitled to receive; or
- Enter into a revised agreement for the repayment of that amount.

If the borrower fails to comply, he or she is restricted from further RAP benefits.

Either the financial institution(s) or the NSLSC must repay the government all of the repayment assistance that the government paid in error on behalf of the borrower.

5.9 Missed Affordable Payment During RAP

RAP Affordable Payment Restriction

Borrowers who miss one or more affordable payments during their RAP terms and who do not make the missed payments within 30 days of completing their RAP terms are restricted from all forms of financial assistance from the CSLP (loans, grants, repayment assistance, interest-free status) for a minimum of six months.

Until the borrower has fulfilled their RAP recovery obligation, they are prevented from receiving any financial assistance from the CSLP with the exception of the Severe Permanent Disability Benefit.

RAP Recovery

RAP Recovery is the process that borrowers must fulfill in order to bring their loans up to date after having missed an affordable payment during a RAP or RAP-PD term.

Once the conditions of RAP Recovery are met, a borrower's missed affordable payment restriction can be removed.

A RAP recovery schedule, which can begin at the earliest on the month after the seventh month, is a commitment by a borrower to make the equivalent of two consecutive monthly payments. These payments are made up of:

- All outstanding interest prior to the RAP Recovery period start date; and
- The equivalent of two months of the RAP affordable payment; or
- Interest-only payments, whichever is the greatest.

A borrower may make all payments as a lump sum payment or over a period of not more than six consecutive months, providing that no payments are less than the monthly interest required or the borrower's previously calculated affordable payment, whichever is greater.

RAP Recovery attempt limit

A RAP recovery attempt is defined as entering into a RAP recovery agreement with the NSLSC. This is not a formal written agreement.

There is a two-time lifetime limit to the amount of RAP recovery schedules available to a borrower, where the Monthly Affordable Payment or interest-only payment is an option.

If a borrower has used their two RAP recovery attempts, they can only become eligible to apply for RAP again by paying the outstanding interest plus the equivalent of two regular consecutive monthly payments.

If a borrower misses a payment during RAP recovery, this will be considered as having used one of the RAP recovery attempts.

Borrowers are not allowed to re-amortize their repayment schedules during the RAP recovery process.

5.10 Re-evaluation of a RAP Decision

There are two circumstances under which a borrower may wish to have their RAP decision re-evaluated: Reconsideration and Re-adjudication.

Request for reconsideration of a RAP application

Borrowers who have been refused RAP or RAP-PD because their monthly Affordable Payment is greater than their monthly Required Payment may still be eligible for RAP if other conditions are met upon reconsideration.

Borrowers can request reconsideration of their applications if they can show that unforeseen and unavoidable circumstances have caused the borrower and their spouse or common-law partner to incur extraordinary expenses that prevent them from fulfilling their repayment obligations.

Required documentation

To support a request for reconsideration, a borrower must submit:

- A request in writing to the Minister for a review of the exceptional circumstances;
- A copy of the original RAP application;
- A copy of the RAP refusal letter from the financial institution or NSLSC;
- Proof of income for the month of the application and for the month prior to the month of the application; and
- Supporting documentation, including proof of exceptional expenses, as defined below).

If the borrower cannot provide receipts or payment statements they must give a detailed explanation of why they are not available.

Reconsideration submission deadline

The deadline for submitting a request for reconsideration, including all supporting documentation, is 30 days after the date of the RAP refusal letter.

The Minister will determine the outcome of a borrower's request for reconsideration within 35 days of receiving the borrower's request.

An outcome will be either one of approval or refusal. If approved, an altered RAP payment may be granted to the borrower. The Monthly Affordable Payment may be reduced.

Exceptional expenses

For the purposes of RAP and RAP-PD, qualifying exceptional expenses, as they refer to reconsideration, are defined according to the following criteria: Qualifying exceptional expenses must have been paid for within the six-month period for which the borrower applied for RAP. They include but are not limited to:

- Uninsured expenses related to the care of a wholly dependent person (see **Chapter 2.5: Wholly dependent person**), including uninsured childcare or attendant expenses for the care of a dependent child who has a disability;
- Exceptional expenses related to changes in marital status;
- Funeral expenses;
- Legal fees due to exceptional circumstances;
- Uninsurable emergency home repairs (not cosmetic or regular maintenance);
- Uninsured medical, dental or optical expenses (not regular or cosmetic); or
- Relocation expenses associated with employment change

Other expenses may be acceptable provided that:

- The borrower and spouse or common-law partner did not have control of the circumstances that led to incurring them.
- The expenses were not paid for or reimbursed by another person or a private insurance plan.
- The borrower submits supporting documentation.

Changes in marital status

Changes in marital status such as a divorce or separation do not constitute an unavoidable and unexpected event that results in exceptional expenses for a borrower. Such situations are taken into account in the determination of family size when a borrower applies for RAP or RAP-PD.

However, some expenses related to the division of property upon marital breakdown may be considered exceptional expenses for the purposes of RAP reconsideration. For example, the borrower has to:

- Make a one-time, lump sum spousal support payment;
- Make a lump sum property equalization payment;
- Make a lump sum payment to facilitate the buy-out of a pension.

The borrower must submit a copy of the divorce or separation agreement and, depending on the circumstance:

- A net property statement for equalization payments; or
- A signed pension division contract/agreement; or
- A court order providing details relevant to the lump sum payment.

In addition, the borrower must submit an itemized statement showing amount paid, date paid and reason for the expense incurred.

Funeral expenses

Funeral expenses for a wholly dependent person, incurred and paid by the borrower or the borrower's spouse or common-law partner during the RAP or RAP-PD period may be considered.

The borrower must submit:

- Copies of all receipts for funeral expenses that are not covered under any government program (such as the Canada Pension Plan);
- A copy of the death certificate;
- A copy of any fees that the borrower or spouse or common-law partner paid for relating to the administration of the deceased person's estate.

Legal fees

Legal fees incurred and paid for by the borrower or the borrower's spouse or common-law partner during the RAP period may be considered.

Legal fees must be a result of exceptional circumstances such as a motor accident or law suit. Legal fees associated with the purchase of a home or the operation of a business will not be considered.

The borrower must submit:

- A letter giving the reasons for the exceptional circumstances which resulted in legal fees;
- An itemized account from their lawyer showing amount paid, dates of payments, and reasons for expenses incurred.

Uninsurable emergency home repairs

Uninsurable emergency home repairs only apply to the borrower's primary residence during the application period. Emergency repairs to a second residence or vacation property will not be considered. The home repair must be related to emergency situations such as a flood or disaster-related roof damage. Cosmetic or regular maintenance will not be considered.

The borrower must submit:

- A statement describing the type and necessity of the repairs;
- Receipts itemizing the expenses and the date the expenses were paid by the borrower or their spouse or common-law partner; and
- A letter from the insurance company attesting that the expenses were not covered by a policy.

Uninsured medical, dental or optical expenses

These are expenses incurred for essential, uninsured, medical, dental, or optical treatment:

- The borrower;
- Their spouse/ common-law partner; or
- A wholly dependent person.

The borrower must submit:

- A copy of receipts itemizing the expenses, including the date payments were made.
- A statement from the borrower giving the name of the patient, their relationship to the borrower, and the type and necessity of the expense.
- Proof that the costs incurred are not insured. This could be either a letter from the insurance company rejecting the applicant's claim or a letter from

the health care provider attesting that the expenses were not covered by insurance.

Work-related relocation expenses

Moving expenses associated with an employment change for the borrower or their spouse or common-law partner during the RAP or RAP-PD term may be considered.

The borrower must submit:

- A copy of dated receipts itemizing the expenses paid by the borrower or their spouse/common-law partner; and
- A statement from the new employer that the costs incurred were not covered by the employer.

Circumstances in which re-adjudication is available

Re-adjudication is available under the following circumstances:

1. A borrower has been approved for RAP with a Monthly Affordable Payment.
2. A borrower contacts the NSLSC and indicates that their income has dropped significantly and they are no longer able to make their affordable payments.
3. A significant drop in income could be when their income drops below the RAP family-size threshold for that individual or if it drops by an amount equal to or greater than the family-based increment (see 5.iv).

Upon contacting the NSLSC and indicating a drop in income, the following will occur:

- The borrower will be screened to determine if they have experienced a significant drop in income as defined above.
- If the borrower has experienced a significant drop in income, they will be sent a new RAP application with a re-adjudication letter.
- The borrower must provide a proof of income for the month prior to the signature date on the application.
- The borrower will be re-adjudicated based on this income and revised loan balances.

- If their spouse/partner is also in receipt of RAP, the spouse or partner must request a separate re-adjudication.
- When the NSLSC receives the new RAP application and valid proof of income, the borrower's existing RAP or RAP-PD term will be shortened to end of the month when the last affordable payment was made. If no Monthly Affordable Payments have been made, the period may be reduced to zero months. The borrower will be re-adjudicated based on the provided information for a new six-month RAP period.
- The borrower will be advised of the new affordable payment which may be zero, and the new start and end dates.
- In cases where the borrower indicates a significant drop in income for a month or months prior to the month of application and the borrower has not made their full affordable payment for those months, the borrower will be required to provide proof of income for the month prior to the signature date on the application and the NSLSC will use backdating to establish their eligibility and a Monthly Affordable Payment.

5.11 Appendix to Chapter 5

This Appendix contains the following:

- 5.i Calculating the Monthly Required Payment
- 5.ii Monthly Affordable Payment Formula for the Repayment Assistance Plan
- 5.iii Monthly Affordable Payment Formula for the Repayment Assistance Plan for Students with Permanent Disabilities (RAP-PD)
- 5.iv Monthly Thresholds and Increments Table
- 5.v Determining Income and Family Size

5.i Calculating the Monthly Required Payment

The Monthly Required payment is a sum of three components (as applicable):

- The outstanding principal with regards to the borrower's student loans, guaranteed student loans and provincial loans made to the borrower as a full-time student, amortized over a specified period;
- The outstanding principal of the student loans made to the borrower as a part-time student, amortized over a specified period;
- The outstanding principal of the apprentice loans made to the borrower, amortized over a specified period.

Each of the components is calculated using the following formula:

$$PMT = \frac{(PVLoan)i(1+i)^n}{(1+i)^n - 1}$$

Where:

- **PMT** = Student's monthly payment
- **PVLoan** = Present Value of loan (outstanding loan balance)
- **i** = Monthly interest rate (equivalent to the annual rate divided by 12)
- **n** = Number of months in the amortization period (e.g., 114 for a standard 9.5 year amortization period).

The specified period is the greater of:

Six months and

For Stage 1 RAP:

120 months minus months in repayment since latest PSED (or the apprenticeship end date, as applicable, or in case of a part-time loan – latest PSED or the last day the borrower ceased to be a full-time student) plus months of IR/RAP used since latest PSED (or the apprenticeship end date, as applicable);

For RAP-PD:

120 months minus months in repayment since latest PSED (or the apprenticeship end date, as applicable, or in case of a part-time loan – latest PSED or the last day the borrower ceased to be a full-time student);

For Stage 2 RAP:

180 months minus months in repayment since latest PSED (or the apprenticeship end date, as applicable; or in case of a part-time loan – latest PSED or the last day the borrower ceased to be a full-time student).

The 10 year or 15 year amortization is reduced by the number of months elapsed since the borrower's latest PSED (or the apprenticeship end date, as applicable);

or in case of a part-time loan – latest PSED or the last day the borrower ceased to be a full-time student). For Stage 1 RAP only, the 10 year amortization period is also increased by the number of months of RAP received since the latest PSED (or the apprenticeship end date, as applicable). For example, if a borrower applies for RAP 48 months after their PSED, and has used 12 months of RAP, their required payment would be amortized over 84 months: 120 months minus 48 months since PSED plus 12 months of RAP.

The interest rate is either a fixed interest rate of the prime rate plus 5% or a floating rate of is the prime rate plus 2.5%. The applicable prime rate is the rate that is effective on the application signature date.

5.ii Calculating the Monthly Affordable Payment for the Repayment Assistance Plan

A borrower's monthly affordable payment is equal to:

1. Zero (\$0) if the borrower's monthly family income is less than or equal to the monthly income threshold for their family size according to the Table 5.iv; or
2. Their monthly family income multiplied by the lesser of:
 - a. 20% * A; or
 - b.

$$1.5 * \left(\frac{X - Y}{100Z} + 1\% \right) * A$$

Where:

- **A** = The proportion of the total government loan debt of the applicant (including Canada Apprentice Loans, and federal and provincial student loans) to the total government loan debt of the family (including that of the spouse or common-law partner)
- **X** = Gross Monthly family income
- **Y** = Monthly threshold amount for their family size (see Table 5.iv)
- **Z** = Increment value for their family size (see Table 5.iv)

The affordable payment formula ensures no borrower pays more than 20% of their gross income towards their loan debt, and borrowers with low incomes (below the threshold for their family size) are not required to make payments.

- Borrowers' monthly gross family income (X) is compared to threshold values (Y) based on family size (Table in 5.iv).
- If monthly income is below the threshold value the Monthly Affordable Payment is zero.
- If monthly income is above the threshold value the Monthly Affordable Payment is calculated as a percentage of income which increases with respect to income until it reaches a maximum of 20%.
 - The formula determines this by comparing the income that exceeds the threshold against the increment found in Table 5.4, which represents the amount of monthly income needed to increase the affordable payment by 1%. Monthly Affordable Payments start at 1% of income.
 - The percentage is multiplied by 1.5 to account for provincial debt, is also adjusted to account for the government loan debt of the borrower's spouse (if applicable).
 - The Monthly Affordable Payment is then divided proportionally between the federal and provincial shares of debt as applicable.

Example: A family of 2 with gross monthly income of \$3,500:

$$AP\% = 1.5 * \left(\frac{3500 - 3254}{100 * 350} + 1\% \right) = 2.12\%$$

Multiplying this by gross monthly income, we obtain the Monthly Affordable Payment for this family:

$$\text{Monthly Affordable Payment} = \$3,500 \times 2.12\% = \$74.20$$

The Monthly Affordable Payment is then divided proportionally between the federal and provincial shares of debt as applicable.

5.iii Calculating Monthly Affordable Payment for the Repayment Assistance Plan for Students with Permanent Disabilities (RAP-PD)

A borrower's Monthly Affordable Payment is equal to:

1. Zero (\$0) if the borrower's monthly family income is less than or equal to the monthly income threshold for their family size according to the Table 5.iv; or
2. Their monthly family income multiplied by the lesser of:
 - a. 20% * A; or
 - b.

$$1.5 * \left(\frac{(X - E) - Y}{100Z} + 1\% \right) * A$$

Where:

- **A** = The proportion of the total government loan debt of the applicant (including Canada Apprentice Loans and federal and provincial student loans) to the total government loan debt of the family (including that of the spouse or common-law partner)
- **X** = Gross monthly family income
- **Y** = Monthly threshold amount for their family size (see Table 5.iv)
- **Z** = Increment value for their family size (see Table 5.iv)
- **E** = Monthly disability-related expenses

The affordable payment formula for RAP-PD is similar the RAP affordable payment formula however includes disability related expenses (E) which are deducted from monthly gross income thus lowering calculated monthly affordable payments.

Example: A family of 2 with gross monthly income of \$3,500 and monthly disability-related expenses of \$200:

$$AP\% = 1.5 * \left(\frac{(3500 - 200) - 3254}{100 * 350} + 1\% \right) = 0.396\%$$

Multiplying this by gross monthly income, we obtain the monthly affordable payment for this family:

$$\text{Monthly affordable payment} = \$3,500 \times 0.396\% = \$13.86$$

5.iv Monthly Thresholds and Increments Table

Monthly Thresholds and Increments					
Family Size	1	2	3	4	5 and over
Threshold	\$2,083	\$3,254	\$4,205	\$4,959	\$5,652
Increment	\$250	\$350	\$425	\$500	\$575

5.v Determining Income and Family Size

Below is a list of types of income that borrowers applying for RAP will be asked to provide:

Examples of what is considered Gross Monthly Family Income (hereinafter referred to as “**family income**”):

- Income from RAP applicant’s employment and, if applicable, spouse/common law partner’s employment (including self-employment income).
- Investment income such as cashed in Retirement Savings Plans and interest on investments.
- Payments received through social programs (e.g. Employment Insurance, Workers’ Compensation, Canada or Quebec Pension Plan, Disability Support Payments, and superannuation).
- Child and / or spousal support.
- Monetary gifts, inheritance, awards, scholarships, bursaries, grants and fellowships.

Examples of what is not considered Gross Monthly Family Income:

- Income tax refunds, GST / HST credits.
- Federal and Provincial Child Tax Benefits.
- Universal Child Care Benefit.
- Supplements for Working Families.
- Special supplements to Disability Support Payments.

- Student loan disbursements and student grants.
- Child and/or spousal support paid to another person (in this case, it should be deducted from the Gross Monthly Family Income reported on their application).

For the purpose of RAP, the term “dependent(s)” is defined as:

Dependents are children who are living with the borrower and under 21 years of age or attending school full-time or wholly dependent persons (as defined in Chapter 2)

Lump-sum income payments:

For the purposes of RAP, lump sum income payments mean a sum of money that the borrower receives during a one-month period that is intended to cover a period of more than one month.

These payments can be pro-rated over the number of months for which they were intended. The following types of lump sum payments, considered as regular sources of income, qualify to be pro-rated:

- Lump sum payment of spousal support or child support in arrears
- Income earned over a period of greater than one month but received as a lump sum.
- Three pay periods in one month. Borrowers who are paid bi-weekly (every two weeks), as opposed to bi-monthly (twice per month) would have 26 pay periods in a year. This would mean that in two months out of the year the borrower would be paid three times.
- Retroactive Employment Insurance or Canada Pension Plan Payments

The following are not considered lump sum payments for the purpose of RAP eligibility:

- Lottery winnings
- Payment of an inheritance
- A one-time payment of an insurance settlement
- Payment of a severance package
- Payment resulting from the dissolution of a marriage or common-law relationship, that is, the division of assets.

Chapter 6: Other Repayment Assistance Measures

6.1 Overview

While the Repayment Assistance Plan (RAP) is the primary measure offered to help borrowers experiencing difficulty in repayment and is described at length in the previous chapter, other measures are available to borrowers depending on their circumstances, including those who may not qualify for RAP.

Interest-only payments and Revision of Terms of agreement:

- Interest-only payments
- Revision of Terms agreement

Loan forgiveness for family doctors, residents in family medicine, nurse practitioners, and nurses practicing in under-served rural or remote communities:

- Overview
- Eligibility
- Application
- Amount
- Overpayments

Other repayment and debt cancellation measures:

- Reservists on Designated Operations
- Severe Permanent Disability Benefit
- Death of a borrower

6.2 Interest-only payments and the Revision of Terms agreement

Interest-only payments

A borrower having difficulty repaying may opt to make interest-only payments. Interest-only payments are offered in intervals of up to six months, but can be taken over shorter durations. A borrower is entitled to a maximum of twelve interest-only monthly payments over the entire repayment of their loan.

If a borrower receives further loan funding subsequent to payment in full of the loan to which interest-only payments applies, the interest-only payment option is still available with regard to the new loan.

Revision of Terms agreement (ROT)

Borrowers can change the terms of their repayment by completing a Revision of Terms agreement (ROT). They may extend their amortization period to a maximum of 14.5 years. They may also change from a floating to a fixed rate of interest.

6.3 Loan forgiveness for family doctors, residents in family medicine, nurses and nurse practitioners who work in under-served rural or remote communities

Family doctors, residents in family medicine, nurse practitioners, and nurses that practice in designated rural or remote communities may be eligible to have a portion of their Canada Student Loans (CSL) forgiven.

Eligibility

To be eligible for CSL forgiveness, borrowers must have:

- Started their current employment (full-time, part-time or casual – includes self-employment for family doctors with a private family practice) as an eligible medical professional in a designated rural or remote community on or after July 1, 2011;
- Completed a full 12 month loan forgiveness period;

- Submitted a Canada Student Loan Forgiveness for Family Doctors and Nurses Application Form.

Applicants can still be studying full-time or part-time, or in their six months post-studies non-repayment period, as long as they meet the eligibility criteria above.

Eligible Medical Professions

Applicants must be practicing in Canada in one of the following professions and meet the necessary licensing requirements for that profession under appropriate authority such as the College of Family Physicians of Canada or provincial nursing associations:

- Family doctor
- Family medicine resident in training with an accredited medical school in Canada (exempt from licensing requirement)
- Registered nurse
- Registered psychiatric nurse
- Registered practical nurse
- Licensed practical nurse
- Nurse practitioner

Recognizing that sometimes delays occur between graduation and licensing of nurses in any of the above listed nursing professions, loan forgiveness periods can include service that takes place post-graduation, but prior to licensing.

Designated Communities

A designated community is a municipality (census subdivision) that is located outside of:

- Census metropolitan areas;
- Census agglomerations that have an urban core population of 50,000 or more; and
- A provincial capital.

Applicants can verify if a community is designated by using the Postal Code Lookup tool available on CanLearn.ca.

Loan Forgiveness Period

A loan forgiveness period is a period of 12 consecutive months during which applicants must have been employed or in practice in a designated community (or communities) and have provided in-person services in that community (or communities) for a minimum of 400 hours (or 50 days).

Applicants must complete a full 12-month loan forgiveness period before applying for CSL forgiveness and a subsequent loan forgiveness period may only begin after an approved period has ended. It is up to applicants to indicate in their application a loan forgiveness period that conforms to these criteria.

Residents in Family Medicine

Residents in family medicine are exempt from the requirement of being employed in a designated community for 12 consecutive months. However, they must have provided 400 hours (or 50 days) of in-person service in a designated community or communities. The applicant must indicate the start of the loan forgiveness period on the application. The end of the 12 month loan forgiveness period will be determined based on the start date indicated by the applicant. A subsequent loan forgiveness period may not start until the first day after a previously approved loan forgiveness period. An applicant can have a loan forgiveness period that includes time as a medical resident and as a family doctor.

Amount forgiven

Family doctors and family medicine residents in training with an accredited medical school in Canada may receive up to \$8,000 per period in CSL forgiveness to a maximum of \$40,000.

Nurse practitioners and nurses may receive up to \$4,000 per year in CSL forgiveness to a maximum of \$20,000 over five years.

Their loan balance will be reduced up to the maximum eligible amount as of the day after the end of their loan forgiveness period. For example, an eligible nurse with \$4,000 or more in CSLs as of the end of their loan forgiveness period would receive \$4,000. An eligible nurse with \$3,000 in CSLs would receive \$3,000.

Application

Once applicants have completed their loan forgiveness period, they have 90 days to apply for this benefit. In the event the borrower applies more than 90 days after the end of their 12 month period of practice, the 12 month period will be adjusted forward when possible.

Family medicine resident CSL forgiveness applications can be accepted once the loan forgiveness period is complete (12 months after the start date) and they have 90 days from the end of their loan forgiveness period to apply for the benefit.

However, a family medicine resident may also apply after they have completed 400 hours (50 days) of in-person service, but they are not eligible for subsequent loan forgiveness until the end of this 12-month approved loan forgiveness period.

Attestation

Employers of applicants are required to attest to the employment information provided by the applicant and that the applicant did not begin his or her current employment at the work address and medical facility/private practice prior to July 1, 2011. Applicants who are self-employed must have a local official make this attestation, to the best of their knowledge. Local officials may include elected officials such as the Mayor or a member of a legislature, an official at a local hospital, or a band Chief.

Breaks in service or other types of leave

If an applicant's leave during the 12 months of service is less than one month (31 days) and he/she is able to complete 400 hours of in-person service, he/she will still be eligible for loan forgiveness and not required to submit further documentation. If the leave is longer than one month and/or it prevents the applicant from completing 400 hours of in-person service, the applicant may still be eligible and will be expected to provide consent for CSLP to verify the receipt of one or more of the following Employment Insurance related benefits during the applicant's leave within the loan forgiveness period:

- Maternity (up to 15 weeks) and Parental Benefits (up to 35 weeks)
- Sickness Benefits (up to 15 weeks)
- Compassionate Care Benefits (up to six months)

- Benefit for Parents of Critically Ill Children (up to 35 weeks)

If the leave is of a similar type, but the applicant is not receiving EI benefits during the leave, the leave request will be subject to CSLP review.

Example 1:

A Nurse Practitioner begins working in Baker Lake June 1, 2012 and provides 150 hours of in-person service between June 1, 2012 and September 30, 2012. She relocates to Colville Lake and begins to work on November 1, 2012. From November 1, 2012 to May 31, 2013, she provides another 250 hours of in-person service.

This applicant is eligible for CSL forgiveness.

Example 2:

A family medicine resident completes 400 hours of in-person service in a designated community from June 1, 2012 to December 31, 2012. She leaves the community to complete a course at the University of Toronto from January to April 2013 and returns to the same community in May 2013.

Because this applicant is a family medicine resident, she meets the eligibility criteria as she is exempt from the 12 continuous month requirement and completed 400 hours of in-person service in a designated community. However, any other qualifying professional (family doctor, nurse or nurse practitioner) would not be eligible.

Restrictions

Borrowers who have restrictions applying to any of their CSLs as of the date of when the forgiveness is effectively applied on their outstanding loan balance are not eligible. Exceptions which will NOT restrict a borrower from receipt of CSL forgiveness benefit:

- Borrower has received RAP Stage 2
- Borrower has received Debt Reduction in Repayment (DRR)
- Borrower has received RAP-PD

Multiple Periods of Loan Forgiveness

Applicants may receive CSL forgiveness for non-consecutive periods of practice, provided they meet all the eligibility criteria, and:

- Have not exceeded the total amount of CSL forgiveness available for their occupational group, and
- Have not exceeded the 5 year maximum.

Borrowers who change occupational groups from approved nursing or nurse practitioner professions to a family doctor (or family medicine resident) occupation may receive additional periods of CSL forgiveness (up to a new maximum of five years for their occupational category).

Other Borrower Responsibilities

During a borrower's year of service, their Canada Student Loan remains in repayment status and they must continue to make regular monthly payments. Once their application for loan forgiveness has been approved, their Canada Student Loan balance will be reduced. Their monthly payments will also be reduced unless they opt out on the application form. Borrowers can request changes to their monthly payments at any time by contacting the National Student Loans Service Centre.

Overpayments

A loan payment will only be considered an overpayment when the payment is received during the 90 day application period following the completion of the 12 month loan forgiveness period and the available CSL forgiveness amount would have extinguished the balance of the loan on the effective day of the loan forgiveness.

6.4 Reservists on Designated Operations

Purpose

Canadian Forces reservists who are full-time students and have interrupted studies to serve on designated operations are eligible to receive an interest-free, no repayment benefit on their student loans during this period.

Eligibility for reservist benefit

The eligible period includes training for, deployment to, and all authorized leave periods resulting from service on designated operations. It includes preparation, training, rest, or travel from or to the employee's residence.

Reservists will have 6 months following completion of service to enroll in full-time studies, in order to maintain their interest subsidy.

If the reservist does not continue studies...

Interest begins to accumulate as of the end of their service.

If a student changes educational institutions after serving on a designated operation...

There is no change to a student's eligibility for further student loans if they change their institution or program of studies.

If a student decides not to continue full-time studies following completion of service...

They will not be penalized if they do not return to full-time studies. No interest will be charged for the period of service on designated operations.

Designated operations

A designated operation is an operation in Canada or abroad that is designated by the Minister of National Defence for the purposes of the Canada Labour Code, Division XV.2, 247.5(1) a.

The Minister of National Defence may, in consultation with the Minister of Labour, designate an operation for the purposes of paragraph (1) and may authorize another person to do so. This authorization exists so that the ability to designate an operation can be delegated to the Chief of the Defence Staff (CDS).

Full-time status

The reservist must be in full-time study, defined as at least 60% of a full course load.

If a part-time student is posted to a designated operation...

They are not eligible for these benefits as they are already in repayment status.

Required documentation

The reservist must submit:

- A Confirmation of Posting Assignment for Full-Time Students form, including their intent to return to studies following their service
- and**
- A copy of the posting message.

Extension of the benefit

During periods of recovery from non-permanent on the job injuries, reservists can have the interest subsidy extended. Injuries can occur at any time during eligible service.

Provincial / FI Loans

Provinces and territories and financial institutions holding risk-shared, guaranteed, or provincial loans can ask for repayment of student loans during the period of service on designated operations.

If an agreement is not reached, the Government of Canada can pay, on the behalf of the reservist, interest accumulated on student loans during the period of eligible service.

In these cases, the interest will be paid directly to the province, territory or financial institution. All payments by the reservist will go directly to the loan principal.

6.5 Severe Permanent Disability Benefit

Borrowers with a severe permanent disability who are unable to repay their Canada Student Loans may be eligible to have their debt cancelled.

Eligibility

A borrower may be eligible for the Severe Permanent Disability Benefit if:

- They have a physical or mental impairment that prevents them from ever being able to study at a post-secondary level and take part in the labour force and
- The disability is expected to remain with them for life.

The borrower must submit an application for the Severe Permanent Disability Benefit, regardless of whether they previously received a grant or other benefit designed specifically for students with permanent disabilities.

This benefit reduces the outstanding loan, both principal and interest, to zero. Borrowers with Guaranteed and/or Risk Shared loans that are administered by Canada Revenue Agency are, if the above criteria are met, eligible to receive the Severe Permanent Disability Benefit. Eligibility was extended to Guaranteed / Risk-Shared borrowers in 2011, but is retro-active to any borrower that applied from implementation of the benefit (August 1, 2009). Borrowers at CRA with judgments against them are also eligible to apply for PDB.

Eligibility for the Severe Permanent Disability Benefit is consistent for all loan types.

Application process

Severe Permanent Disability Benefit applications will be available for download at www.canada.ca. Applications are also provided by the contact centre for CSLP Client Relations. Applications are completed by the borrower and licensed physician/nurse practitioner and returned directly to CSLP.

CSLP informs the borrower and the lender or service provider or CRA of the decision to accept or reject the application for the Severe Permanent Disability Benefit.

The applicant may apply for reassessment of a denial of benefit, by submitting a new application if their circumstances change or if they have new information.

Restrictions from further loan disbursements

Recipients of the Severe Permanent Disability Benefit are no longer eligible to receive financial assistance from the CSLP.

6.6 Death of a Borrower

In the event that a borrower dies, all repayment obligations are terminated regardless of loan regime.

Chapter 7: Bankruptcy

7.1 Purpose

This chapter describes the Canada Student Loans policy, as applicable to borrowers who have experienced a **bankruptcy-related event** (including bankruptcy, consumer proposals, and orderly payment of debts). Borrowers who declare bankruptcy are subject to the Bankruptcy and Insolvency Act (BIA), as well as the relevant sections of the CSLP Acts and Regulations. This chapter deals specifically with how their bankruptcy impacts their student loans and eligibility for further assistance.

This chapter also discusses repayment assistance benefits available to borrowers who have experienced a bankruptcy related event.

Nothing in this chapter should be interpreted in a way that contravenes the BIA. Where requirements are specifically addressed in the BIA it is noted.

7.2 Discharge of Student Loans through Bankruptcy (Bankruptcy and Insolvency Act)

Debtors are discharged from their debts after the Stay of Proceedings period that follows declaration of bankruptcy and released from their obligation to repay the debts. For first time bankrupts, debtors are generally discharged nine months from their assignment dates. In most cases, trustees are subsequently discharged within 90 days. Canada Student Loan debts are only eligible to be discharged with other debts if a borrower has been out of studies for more than seven years, as of the date of filing the bankruptcy. The seven-year count starts from the Period of Study End Date (PSED) for each the period of studies in which a borrower received financial assistance from the CSLP. In cases of hardship, a bankrupt borrower can make a request to the court to be discharged after five years have passed from their PSED. When a student loan is discharged, the borrower is no longer obligated to make any payments.

A break in studies for more than 6 months may trigger a multiple-PSED provision. Under this provision, when there is a break in studies of more than six months, the seven- (or where applicable) five-year discharge rule applies separately to Canada Student Loans associated with a PSED before and after the break. The multiple-PSED provision applies to all federal loan products and all new bankruptcy-related filings as of March 4, 2013. Under the multiple-PSED provision a borrower applies to the court only once.

Stay of proceedings (Bankruptcy and Insolvency Act)

The Stay of Proceedings begins when a borrower declares bankruptcy. During this period a trustee will act on behalf of the borrower to ensure that both the creditors' and the borrower's interests are maintained in accordance with bankruptcy laws. Trustees are responsible for payments to creditors, made from the proceeds of the sale of non-exempt assets and from surplus income.

Interest payments made on student loans are considered a non-discretionary payment and are excluded from surplus income. Interest payments should therefore be made whenever possible (examples of other non-discretionary payments include child support and fines).

If eligible, the debtor may receive assistance under the Repayment Assistance Plan. Trustee authorization is required in order for borrowers to make payments toward the principal of their loans during the Stay of Proceedings period. However, borrowers can make interest-only payments on their student loans without such authorization.

There is a trustee authorization form that can be provided by the NSLSC or a borrower's financial institution.

The Stay of Proceedings ends once the Trustee declares that the bankrupt is discharged and is released from all eligible debts.

Eligibility for discharge (Bankruptcy and Insolvency Act)

The seven-year student loan discharge provisions apply to both full-time and part-time borrowers who became bankrupt on or after July 7, 2008.

Borrowers who filed bankruptcy prior to July 7, 2008, that were not discharged as of July 7, 2008, are also eligible to qualify under the seven-year student loan discharge provision.

These changes are not retroactive. Any previous loan payments will not be reimbursed to the borrower.

Eligibility for exceptional financial hardship (*Bankruptcy and Insolvency Act*)

The five-year hardship period applies to all bankrupts, including those who have previously been discharged from bankruptcy.

To qualify for exceptional financial hardship, a person must demonstrate to the Court that they have acted in good faith and that they will continue to experience financial difficulties.

7.3 Bankruptcy While In-study: Benefits for Full-time Students

Borrowers who have a bankruptcy-related event while in a current program of studies are able to receive the following benefits for up to three years following the date of the event:

- Interest-free status, while in-study, on full-time student loans
- New student loans and grants

The CSLP extends these benefits to borrowers who have a bankruptcy-related event while in-study to give them an opportunity to complete their program successfully, making it more likely that they will find gainful employment and repay their loans.

Eligibility for interest-free status and loans

Borrowers must meet the following requirements:

- Borrowers must be in full-time study, defined as 60% of a full course load or 40% of a full course load for students with permanent disabilities. Part-time students who have a bankruptcy-related event while in-study are not eligible for these benefits. They will automatically enter into repayment on their current loans and will not be eligible for new loans.

If a student changes educational institutions after a bankruptcy-related event...

They are still eligible for interest-free status and new loans / grants, providing:

- They remain in the same program of study **and**
- The program of study does not take longer to complete at the new educational institution.

Maximum period of assistance

Borrowers will only be eligible for interest-free status and new loans until the earlier of the following:

- The end of their program of study
- Three years after the end date of the period of studies during which the bankruptcy-related event occurred (date of filing).
- Three years after the date of filing, if the bankruptcy occurs between study periods.

When one of these events occurs, the borrower enters into repayment. However, they may be eligible for the Repayment Assistance Plan. (See **Chapter 1.9, Other restrictions on eligibility**).

Exception: Borrowers who are still completing their program of study when three years have elapsed from the date of bankruptcy will be permitted to complete their current study period before going into repayment.

Repayment while in-study

Borrowers enter into repayment while in-study for three reasons:

1. They have reached the maximum period of assistance (see above).
2. They are no longer in full-time studies, defined as 60% of a full course load or 40% for students with permanent disabilities.
3. They have changed programs of study.

7.4 Examples of an In-Study Bankruptcy Case

The following example illustrates a typical borrower who has a bankruptcy-related event while in-study and the assistance offered through the CSLP bankruptcy policy.

Marc is a first year student in a four-year degree program. He declared bankruptcy on February 20, 2014.

Marc is eligible for interest-free status on his current loans. He can apply for a new Canada Student Loan or Grant for three years following his bankruptcy-related event -- from 2014 to 2017.

Three years after the event, on February 20, 2017, Marc is in the following situation:

- Marc is in a confirmed study period. He will therefore be able to complete his study period, which ends in April, 2017. After the 6 month non-repayment period, he will go into repayment on his loans.
- Marc is now restricted from receiving new loans / grants and interest-free status while studying.
- He may, however, apply for debt-management measures such as RAP.

7.5 Bankruptcy While in Repayment

Borrowers who have a bankruptcy-related event while they are in repayment are not eligible for new loans, or in-study interest-free subsidy, unless they pay their loans in full or are discharged from their debts. In the latter case, three years must elapse from the date of the discharge for borrowers to be eligible for new funding. They may, however, be eligible for the Repayment Assistance Plan. Documentary proof of discharge is required.

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Table 3: Student Living Allowances

Regional Distribution → Actual Monthly Budget (Loan Year 2016-2017)

LIVING SITUATIONS	NL	PE	NS	NB	QC	ON	MB	SK	AB	BC	YT	NT	NU
SINGLE STUDENT AWAY FROM HOME													
· Shelter (2 bedroom apt. inc. utilities shared by two)	460	427	484	438	411	577	475	548	462	766	574	791	793
· Food (Purchased from Stores)	256	233	237	234	264	259	243	249	271	246	292	296	296
· Miscellaneous (Personal & health care, clothing, H/H cleaning, communications)	224	247	239	228	308	279	291	299	325	301	303	312	313
· Local Public Transportation	66	65	66	68	46	82	84	72	70	95	62	68	68
Total Monthly Allowance	1,006	972	1,026	968	1,029	1,197	1,093	1,168	1,128	1,408	1,231	1,467	1,470
SINGLE PARENT (no dependent considered)													
· Shelter (1 bedroom apartment including utilities)	796	713	817	765	688	930	668	963	733	1,196	1,043	1,246	1,249
· Food (Purchased from Stores)	256	233	237	234	264	259	243	249	271	246	292	296	296
· Miscellaneous (Personal & health care, clothing, H/H cleaning, communications)	224	247	239	228	308	279	291	299	325	342	303	312	313
· Local Public Transportation	66	65	66	68	46	82	84	72	70	95	62	68	68
Total Monthly Allowance	1,342	1,258	1,359	1,295	1,306	1,550	1,286	1,583	1,399	1,879	1,700	1,922	1,926
MARRIED STUDENT & SPOUSE (no dependent considered)													
· Shelter (2 bedroom apartment including utilities)	923	840	971	868	821	1,150	867	1,097	922	1,686	1,146	1,580	1,584
· Food (Purchased from Stores)	457	466	475	468	469	472	441	453	490	493	584	474	475
· Miscellaneous (Personal & health care, clothing, H/H cleaning, communications)	446	492	479	455	490	506	558	570	619	504	604	507	508
· Local Public Transportation	132	134	132	135	92	162	170	156	143	190	124	136	136
Total Monthly Allowance	1,958	1,932	2,057	1,926	1,872	2,290	2,036	2,276	2,174	2,873	2,458	2,697	2,703

LIVING SITUATIONS	NL	PE	NS	NB	QC	ON	MB	SK	AB	BC	YT	NT	NU
EACH DEPENDENT PERSON													
· Shelter	126	175	200	162	150	247	185	134	164	249	173	340	341
· Food (Purchased from Stores)	182	190	192	189	219	203	188	193	210	204	239	236	237
· Miscellaneous (Personal & health care, clothing)	99	72	71	68	116	105	132	135	148	119	91	108	109
· Local Public Transportation	66	65	66	68	46	82	84	60	70	95	62	68	68
Total Monthly Allowance	473	502	529	487	531	637	589	522	592	667	565	752	755
SINGLE STUDENT LIVING AT HOME													
· Shelter	0	0	0	0	0	0	0	0	0	0	0	0	0
· Food (Purchased from Stores)	182	231	237	234	219	203	188	193	210	204	292	236	237
· Miscellaneous (Personal & health care, clothing)	191	188	175	162	219	213	232	238	259	223	201	253	254
· Local Public Transportation	66	65	66	68	46	82	84	72	70	95	62	68	68
Total Monthly Allowance	439	484	478	464	484	498	504	503	539	522	555	557	559

Table 4: Monthly Ceiling for Child Care Expenses for 2015 - 2016 Loan Year

Province	Monthly Ceilings per Child
Newfoundland and Labrador	817
Prince Edward Island	429
Nova Scotia	476
New Brunswick	600
Quebec	391
Ontario	357
Manitoba	460
Saskatchewan	400
Alberta	1,200
British Columbia	1,153
Yukon	750
Northwest Territories	660
Nunavut	660

Note: Monthly ceilings are provincially determined.

Table 5: 2016 Provincial and Territorial Minimum Wages and 2014 Average Number of Weekly Work Hours (for assessing student's contributions for the 2016-2017 loan year)

Item	NL (1)	PE (2)	NS (3)	NB (4)	QC (5)	ON (6)	MB (7)	SK (8)	AB (9)	BC (10)	YT (11)	NT (12)	NU (13)
Minimum Wages (as of July 1, 2016)	\$10.50	\$10.75	\$10.70	\$10.65	\$10.75	\$11.25	\$11.00	\$10.50	\$11.20	\$10.45	\$10.86	\$12.50	\$11.00
# of Weekly Work Hours	31.5	29.7	29.5	30.8	29.4	29.5	29.1	29.1	30.9	28.5	28.0	30.4	29.1

Note: Effective Dates of Provincial Minimum Wages

1. 01-Oct-2015
2. 01-Jun-2016
3. 01-Apr-2016 On April 1 of each year, this rate is adjusted by the percentage change in the projected annual Consumer Price Index for Canada in the preceding calendar year, rounded to the nearest \$0.05.
4. 01-Apr-2016
5. 01-May-2016
6. 01-Oct-2015
7. 01-Oct-2015
8. 01-Oct-2015
9. 01-Oct-2015
10. 15-Sept-2015
11. 01-April-2015 On April 1 of each year, the rate will increase by an amount corresponding to the annual increase for the preceding year in the Consumer Price Index for the city of Whitehorse
12. 01-Jun-2015 (Applies to all employees in the Northwest Territories)
13. 01-Jan-2011 (Applies to all employees in Nunavut)

Source for Provincial Minimum Wages:

<http://srv116.services.gc.ca/dimt-wid/sm-mw/rpt4.aspx?lang=eng>

Last modified: February 18, 2016

Source for # of Weekly Work Hours:

Statistics Canada CANSIM Table 281-0033

<http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=2810033&p2=17>

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Table 6-A: Student's Pre-Study Period Income

AVERAGE TAX RATES (for assessing students' and spousal contributions for the 2016-17 loan year)

Items Covered	Monthly Income Class *				
	\$1 to \$1,499	\$1,500 to \$2,999	\$3,000 to \$4,499	\$4,500 to \$5,999	\$6,000 and over
(Average Federal & Provincial Income Tax + CPP + EI) / Average Gross Income expressed as a percentage	6.83%	7.06%	7.88%	9.99%	12.82%

* Monthly Income Class brackets are based on the assumption that pre-study period income was earned over a 4 month period. Use these tax rates if the student has only pre-study period income. If a student has both, pre-study and in-study income, please use Table 6-C and see the footnote on Student Total Income below.

Note:

Pre-study income is based upon minimum wages and weekly hours worked:

1. It is assumed that all income for the tax year is earned in the 4 month pre-study period. For example, the pre-study period income @ 11 dollars/hour = $11 \times 30 \times 4.3 \times 4 = \$5,676$
2. Only CPP (4.95%) and EI (1.88%) deductions would apply to total income under \$11,474 per year, and income tax will not be payable due to personal exemption limit & other deductions.

Table 6-B: Student's Monthly Income during the Study Period

Items Covered	Monthly Income Class **					
	\$1 to \$749	\$750 to \$1,499	\$1,500 to \$2,249	\$2,250 to \$2,999	\$3,000 to \$3,749	\$3,750 and over
(Average Federal & Provincial Income Tax + CPP + EI) / Average Gross Income expressed as a percentage	6.83%	7.06%	7.88%	9.99%	12.82%	16.17%

** Monthly Income Class brackets are based on the assumption that study period income was earned over a 8 month period. Use these tax rates if the student has only study period income.

Note:

The student's income during the study period is based on the student's monthly income over the study period (up to 8 months). Assuming an 8 month study period and a monthly income of \$500, this would result in a study period income of \$4,000 (\$500 x 8 months) which would be subject to an average tax rate of 6.8%.

Student's Total Income: The total income includes pre-study period income and study-period income. In our example, student's total income would be \$8,816 (\$4,816 pre-study period income + \$4,000 study-period income). The Canadian average rate of income taxes + CPP + EI for the corresponding average monthly income of \$735 is 7.06% (see table 6-C).

Table 6-C: Monthly Income of the Spouse (Not in full-time studies)

Province / Territory	Monthly Income Class ***						
	\$1 to \$499	\$500 to \$999	\$1,000 to \$1,499	\$1,500 to \$1,999	\$2,000 to \$2,499	\$2,500 to \$3,999	\$4,000 and over
Newfoundland	6.83%	7.17%	8.32%	11.76%	14.55%	18.18%	27.62%
Prince Edward Island	6.83%	7.30%	8.90%	12.50%	15.57%	19.08%	26.34%
Nova Scotia	6.83%	7.25%	8.60%	11.49%	14.67%	18.60%	27.62%
New Brunswick	6.83%	7.12%	8.24%	11.20%	14.55%	18.19%	25.91%
Quebec ²⁾	6.83%	6.94%	7.58%	9.23%	11.27%	13.59%	19.51%
Ontario	6.83%	7.05%	7.88%	10.22%	13.51%	17.07%	27.70%
Manitoba	6.83%	7.27%	8.87%	11.86%	15.37%	19.45%	27.49%
Saskatchewan	6.83%	7.09%	7.84%	10.02%	13.18%	17.41%	26.83%
Alberta	6.83%	7.22%	7.97%	9.65%	12.65%	16.89%	27.39%
British Columbia	6.83%	7.08%	7.83%	9.59%	12.24%	15.79%	24.73%
Yukon	6.83%	7.38%	7.81%	9.67%	12.43%	15.95%	23.87%
Northwest Territories	6.83%	7.12%	8.20%	9.97%	12.36%	16.14%	25.96%
Nunavut	6.83%	7.45%	7.65%	9.55%	11.18%	14.54%	24.78%
Canada	6.83%	7.06%	7.88%	9.99%	12.82%	16.17%	25.62%

*** Monthly Income Class brackets are based on the assumption that the income is earned by the spouse over a 12 month period.

1. Includes EI and CPP employee contributions
2. Quebec rates based on Federal income tax only

Source: CRA, Corporate Strategies and Business Development Branch, Statistics and Information Management Directorate, Statistics Division, T1 Datamart, <http://www.cra-arc.gc.ca/tx/bsnss/tpcs/pyrll/clcltng/menu-eng.html>

- The 2016 EI premium rate is \$1.88 per \$100 of insurable earnings. The maximum insurable earnings for 2016 are \$50,800.
- The 2016 CPP employee contribution rate is \$4.95 per \$100 of insurable earnings.
- The maximum pensionable earnings for 2016 is \$54,900 and the basic exemption is \$3,500.

Student's Total Income: The total income includes pre-study period income and study-period income. In our example, the student's total income would be \$9,676 (\$5,676 pre-study period income + \$4,000 study-period income). The Canadian average rate of income taxes + CPP + EI for the corresponding average monthly income of \$806 is 7.06% (see Table 6-C).

Table 7: Student Contributions for 2016 - 2017 Loan Year**STUDY PERIOD**

Category	NL	PE	NS	NB	QC	ON	MB	SK	AB	BC	YT	NT	NU
Spouse/partner who is not in full-time studies	1,304	1,251	1,241	1,294	1,256	1,315	1,254	1,211	1,369	1,180	1,205	1,500	1,271

Note: Formulas are based on tables 3, 5 and 6 of the Need Assessment Tables. Pre-study period and study period disposable income are calculated using provincial and territorial minimum wages and average number of weekly hours worked on Table 5, minus the average tax rates on Table 6. The student living allowances from Table 3 are then deducted to come up with the pre-study period minimum monthly contribution.

Table 8: Moderate Standard of Living Estimates (for after-tax income) by Family Size for 2015 - 2016 Loan Year

Family Size	NL	PE	NS	NB	QC	ON	MB	SK	AB	BC	YT	NT	NU
2	36,584	37,456	41,582	36,990	41,746	48,406	41,179	41,796	51,583	44,219	49,402	51,071	49,442
3	45,707	47,618	51,743	45,903	52,761	60,096	51,573	52,350	61,827	57,445	58,064	60,026	58,111
4	52,827	54,830	58,947	52,228	60,571	68,391	58,946	59,833	69,091	66,826	64,210	66,380	64,262
5	58,347	60,421	64,538	57,133	66,637	74,828	64,669	65,640	74,731	74,102	68,978	71,309	69,033
6	62,861	64,991	69,107	61,140	71,585	80,079	69,346	70,387	79,334	80,048	72,878	75,342	72,937
7	66,674	68,854	72,969	64,530	75,773	84,528	73,298	74,397	83,229	85,078	76,170	78,744	76,231
8	69,981	72,199	76,318	67,464	79,400	88,374	76,720	77,870	86,605	89,435	79,026	81,696	79,089
9	72,895	75,154	79,268	70,053	82,600	91,769	79,740	80,934	89,579	93,275	81,541	84,296	81,605
10	75,502	77,790	81,909	72,365	85,461	94,811	82,437	83,676	92,245	96,709	83,793	86,623	83,859

Note: Moderate standard of living (MSOL) is a measure of the costs of living for the parents of dependent students. The MSOL includes the costs for various family sizes for shelter, food, contribution to RRSPs, household operation, child care, furnishings and equipment, clothing, transportation, health and personal care, reading material, health and life insurance premiums, pension contributions, charitable donations and other miscellaneous expenses. (After tax income is used).

Table 9: Weekly Parental Contributions for 2016 - 2017 Loan Year

Discretionary Income (\$)	Weekly Contribution (\$)	Discretionary Income (\$)	Weekly Contribution (\$)
0.01 - 500.00	1	12,500.01 - 13,000.00	43
500.01 - 1,000.00	3	13,000.01 - 13,500.00	45
1,000.01 - 1,500.00	4	13,500.01 - 14,000.00	47
1,500.01 - 2,000.00	6	14,000.01 - 14,500.00	51
2,000.01 - 2,500.00	7	14,500.01 - 15,000.00	55
2,500.01 - 3,000.00	9	15,000.01 - 15,500.00	59
3,000.01 - 3,500.00	10	15,500.01 - 16,000.00	63
3,500.01 - 4,000.00	12	16,000.01 - 16,500.00	66
4,000.01 - 4,500.00	13	16,500.01 - 17,000.00	70
4,500.01 - 5,000.00	14	17,000.01 - 17,500.00	74
5,000.01 - 5,500.00	16	17,500.01 - 18,000.00	78
5,500.01 - 6,000.00	17	18,000.01 - 18,500.00	82
6,000.01 - 6,500.00	19	18,500.01 - 19,000.00	86
6,500.01 - 7,000.00	20	19,000.01 - 19,500.00	89
7,000.01 - 7,500.00	22	19,500.01 - 20,000.00	93
7,500.01 - 8,000.00	24	20,000.01 - 20,500.00	97
8,000.01 - 8,500.00	26	20,500.01 - 21,000.00	101
8,500.01 - 9,000.00	28	21,000.01 - 21,500.00	105
9,000.01 - 9,500.00	30	21,500.01 - 22,000.00	109
9,500.01 - 10,000.00	32	22,000.01 - 22,500.00	113
10,000.01 - 10,500.00	34	22,500.01 - 23,000.00	116
10,500.01 - 11,000.00	36	23,000.01 - 23,500.00	120
11,000.01 - 11,500.00	38	23,500.01 - 24,000.00	124
11,500.01 - 12,000.00	39	24,000.01 - 24,500.00	128
12,000.01 - 12,500.00	41	24,500.01 - 25,000.00	132
		25,000.01 - 25,500.00	136

Weekly Parental Contribution Formula

If the Annual Discretionary Income (\$) equals:	The Weekly Parental Contribution equals:
\$0 - \$7,000	(15.0% of DI) / 52
\$7,001 - \$14,000	(\$1,050 + 20.0% of (DI - \$7,000)) / 52
Over \$14,000	(\$2,450 + 40.0%*(DI- \$14,000)) / 52

Note: ADI = Annual Discretionary Income

Table 10A: Low Income Thresholds for Determining Eligibility for Canada Student Grants (Loan Year 2015-16)

Low Income Thresholds (for pre-tax incomes)													
Family Size	Province										Territory		
	AB	BC	MB	NB	NL	NS	ON	QC	PE	SK	YT	NT	NU
1 person	24,880	24,144	24,921	20,937	21,205	21,041	24,747	24,400	20,975	21,512	24,362	24,790	24,690
2 persons	30,976	30,059	31,027	26,064	26,397	26,194	30,811	30,378	26,111	26,781	30,329	30,863	30,738
3 persons	38,081	36,955	38,143	32,041	32,451	32,203	37,878	37,345	32,102	32,924	37,287	37,943	37,789
4 persons	46,234	44,866	46,310	38,904	39,400	39,099	45,987	45,343	38,976	39,975	45,270	46,066	45,879
5 persons	52,439	50,887	52,524	44,123	44,687	44,344	52,159	51,427	44,205	45,338	51,345	52,248	52,036
6 persons	59,142	57,392	59,238	49,765	50,400	50,015	58,827	57,999	49,856	51,134	57,908	58,926	58,687
7 persons or more	65,846	63,898	65,953	55,405	56,112	55,683	65,495	64,574	55,507	56,929	64,472	65,606	65,339

Based on Statistics Canada publications on low income cut-offs (1992 base) before tax income. Percentage increase in CPI for each province between 2014 and 2015 was applied to the 2015-16 Table 10A to obtain 2016-17 Table 10A.

Note: The table above is to be used in determining eligibility for grants for students from low-income families (CSG-LI), grants for part-time studies (CSG-PT), and grants for full-time and part-time students with dependents (CSG-FTDEP, CSD-PTDEP).

Table 10B: Middle Income Thresholds for Determining Eligibility for Canada Student Grants and Part-Time Loans (Loan Year 2016-17)

Base Year: 2015

Middle Income Thresholds (for pre-tax incomes)													
Family Size	Province										Territory		
	AB	BC	MB	NB	NL	NS	ON	QC	PE	SK	YT	NT	NU
1 person	48,008	41,898	38,504	33,850	34,181	38,693	44,751	38,795	35,382	38,166	45,768	46,593	46,363
2 persons	67,212	58,659	53,904	47,392	47,855	54,172	62,652	54,315	49,534	53,433	64,075	65,229	64,907
3 persons	80,560	76,206	67,511	58,810	59,788	67,407	77,779	68,645	62,973	66,926	75,309	76,665	76,287
4 persons	90,022	88,651	77,163	66,914	69,104	76,792	88,515	78,806	72,511	76,492	83,282	84,782	84,363
5 persons	97,373	98,303	84,655	73,198	76,325	84,075	96,846	86,699	79,904	83,912	89,464	91,075	90,626
6 persons	103,372	106,191	90,777	78,331	82,229	90,029	103,643	93,138	85,950	89,982	94,525	96,226	95,752
7 persons or more	108,446	112,862	95,950	82,674	87,218	95,060	109,401	98,585	91,055	95,108	98,793	100,572	100,076

Based on the Moderate Standard of Living Estimates (MSOL) for pre-tax income