



Developing a Loan Repayment Strategy

A Practical Guide for Post-Secondary Institutions in Alberta

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Introduction

Alberta's student aid program invests in Albertans by providing student funding to individuals helping them to pursue their post-secondary dreams. We help eligible Albertans achieve their educational goals and fully contribute to their families, communities and Alberta's knowledge-driven economy.

Post-secondary institutions are in an ideal position to support student borrowers. With a loan repayment strategy based on effective practices and delivered at key stages of the educational experience, institutions can not only improve their loan repayment rates, but also positively impact the student loan experience and assist students to achieve lifelong financial success.

About this Guide

Alberta Advanced Education requires all post-secondary institutions in Alberta to have a written loan repayment strategy that is reviewed annually.

This guide is designed to assist administrators and facilitators in developing, implementing and maintaining a loan repayment strategy. It provides a framework for creating an effective strategy while affording the flexibility of building a customized strategy based on the unique needs of the institution and its students.

Whether you are creating a loan repayment strategy for the first time or simply refining your current strategy, you will find tips and advice, links to valuable resources and practical real-world examples garnered from post-secondary institutions of various sizes and student populations in Alberta.

About Recommended Practices

In 2009, Alberta Advanced Education hosted two *Best Practices for Loan Repayment Discussion Sessions* with representatives of 23 post-secondary institutions in Alberta. The sessions held in Edmonton and Calgary provided a unique forum for institutions to share their strategies, best practices and innovative ways of providing students with information about loan funding.

The participating institutions felt their close connection to students provided an unique opportunity for them to play a significant role in educating students about their loans and assisting with the loan experience. Although each post-secondary institution's loan repayment strategy was unique, all of the strategies resulted in students being well informed about their student loans having in turn a positive impact on loan repayment rates.

Advanced Education wishes to thank the post-secondary institutions who shared their best practices during these discussion sessions. Your generous input has made this guide possible.

What is a Loan Repayment Strategy?

A loan repayment strategy is a written document created by a post-secondary institution outlining how the institution provides loan information to its students, what specific loan resources are provided related to student completion and graduation, and when the information and resources are to be provided.

The goal of a loan repayment strategy is to educate students on their loan responsibilities, empower them to successfully manage their loans through regular payments or government repayment assistance programs and support students to successfully complete their program.

A post-secondary institution should review its strategy each year to ensure its resources are current and relevant to students. Having an effective loan repayment strategy is also an important factor in maintaining a post-secondary institution's annual loan repayment rate at an acceptable level.

Why Does a Post-Secondary Institution Need a Loan Repayment Strategy?

All post-secondary institutions in Alberta, regardless of the type, have certain obligations under the Pan-Canadian Designation Policy Framework, a federal cross Canada framework provinces follow regarding designated institutions. The framework lays out the responsibilities of the three groups: students, government and post-secondary institutions.

- Students are responsible for making regular payments on their loans or making arrangements to be on government repayment assistance programs.
- The provincial government is responsible for the designation and de-designation of provincial and federal student financial aid to students, training post-secondary institutions on how to provide loan information to students, creating resources for institutions to use and supporting institutions in their loan repayment strategies.
- Post-secondary institutions are often the closest link to students and are best able to assist students directly. The institution is responsible for providing loan information to students through a developed loan repayment strategy, and for maintaining student loan repayment rates at an acceptable level.

Advanced Education monitors the student loan repayment rates of students and evaluates these rates against provincial benchmarks. Three years of unacceptable loan repayment rates may result in de-designation of institutions.

Having an effective loan repayment strategy is an important factor in maintaining your post-secondary institution's annual loan repayment rate at an acceptable level. To learn more about the designation process and benchmarks for loan repayment, see Appendix D.

TIP

Advanced Education can help with a loan repayment strategy. Contact us at: program.services.delivery@gov.ab.ca

Create a Loan Repayment Strategy

Advanced Education requires that each institution develop, write and implement a loan repayment strategy and that the repayment strategy be reviewed annually. To help institutions create effective strategies tailored to the specific needs of their students, we recommend the following step-by-step approach: ¹

- Understand the main factors that promote loan repayment and the factors that contribute to loan default.
- Customize your strategy based on unique aspects of your post-secondary institution, your programs and your students.
- Incorporate the five key elements of an effective strategy: educating borrowers through student loan counselling resources, leveraging technology, managing student retention, providing employment services for students, building alliances and training staff within your post-secondary institution.
- Write down your post-secondary institution's loan repayment strategy. Make sure your written strategy details how you will provide information to students, what information you will provide relating to student completion and graduation, and when you will provide it. Include samples of the resources you will use.
- Implement your strategy, building on the practices recommended as effective by post-secondary institutions around Alberta and on your knowledge of what will work best for your post-secondary institution.
- Maintain your strategy by reviewing it each year and updating it with new loan information resources.

¹ Advanced Education may require a post-secondary institution to use this guide as the basis for developing a loan repayment strategy.

Planning Your Strategy

Whether you are creating a new loan repayment strategy for your post-secondary institution or updating an existing strategy, you will find it easier if you do some planning before you begin. This section includes information and questions that will help you understand:

- What makes students more likely to repay their loans and what makes them less likely to repay their loans.
- How to make your strategy specific to your students and their needs.
- How to ensure that your strategy is effective.

Factors in Loan Repayment and Default

The first step in developing your loan repayment strategy is to understand the factors that influence whether students repay or default on their loans. Several critical factors are listed below. As you begin planning your strategy, think about the following questions:

- How might your strategy work to increase the total number of repayment factors influencing your students?
- How might it work to decrease the total number of default factors?

REPAYMENT FACTORS	DEFAULT FACTORS
Thorough understanding of loan obligations and terms.	Poor understanding of loan obligation and terms.
Prepared for personal and financial management.	Poor personal and financial management skills.
Informed about repayment assistance programs and able to contact student funding providers for these programs.	Poorly informed about repayment assistance programs.
Manageable debt load.	Unmanageable debt not related to education.
Employment or adequate income to meet debt obligations.	Unemployment or low income relative to debt obligations.
Student obtains program credentials.	Student does not obtain program credentials.

Customizing Your Strategy: Questions to Consider

Your institution isn't quite like any other, so your loan repayment strategy should be a unique reflection of your programs, student population and staff size. To develop a customized strategy for your institution, consider the following questions.

<p>Will your institution deliver loan information to students in person?</p>	<p>Do you have staff available for loan counselling sessions with students? If so, will information be delivered in one-on-one sessions with the student, or will it be delivered to a group of students?</p>
<p>Will loan information be provided to students in a student self-directed method?</p>	<p>Is your student population significantly larger than your staff size? If so, your strategy should ensure that loan information is delivered to students in a student based self-directed manner.</p> <p>Will you be providing the loan information and resources to students so they can access it on their own?</p>
<p>What are the characteristics of your student population?</p>	<p>Do students have easy access to the Internet and a computer? Or are paper resources more suitable than using online?</p>
<p>When do sessions begin and end?</p>	<p>Are students starting programs at the same time? Can the same information be delivered all at once to the group?</p> <p>Or do students start and complete at various times? If so, do they need to receive information individually?</p>
<p>How long are your programs?</p>	<p>Are your programs long or short? Will you split up the loan counselling resources, Understanding Your Student Loan and Repaying Your Loan or deliver both at the same time?</p>
<p>Do your staff have ready access to Advanced Education resources?</p>	<p>Are your staff subscribed to the email listserv providing up-to-date information about student funding? To subscribe, email program.servicesdelivery@gov.ab.ca.</p> <p>Are all of your staff aware of the Resources and particularly School Resources section on: studentaid.alberta.ca containing program, policy and training resources related to student aid.</p>

Once you have considered these questions, you can start to develop a loan repayment strategy incorporating the five key elements common to effective strategies, yet is delivered in a way that works best for your students and institution.

The Five Elements of an Effective Strategy

A loan repayment strategy incorporating the following elements will help increase the likelihood of student financial success, increase loan repayment rates for your institution and make your students' overall educational experience more positive.

- 1. Educating borrowers:** Educating students about their loans by providing loan counselling resources i.e. Understanding Your Student Loan when they start their studies and Repaying Your Loan as they near completion of their studies.
- 2. Leveraging technology:** Using all possible forms of technology to provide loan information and resources through the Internet, email and other electronic systems.
- 3. Managing student retention:** Helping students finish their programs.
- 4. Providing employment services:** Providing students with assistance in securing employment after program completion.
- 5. Building alliances and training staff:** Working with all departments in your institution to provide consistent student loan repayment information.

The following sections provide details on how an institution can deliver each of these five elements with recommended practices you can build upon to implement your own strategy.

1. Educating Borrowers: Loan Counselling Resources

Entering and leaving post-secondary programs represent major transitions in students lives. Educating students about loan repayment and encouraging them to take control of their financial situation can be particularly effective at these crucial moments.

Understanding Your Student Loan

Understanding Your Student Loan is an online loan counselling resource available on the Student Aid Alberta website. It is normally provided to students when they first receive their student loan or at the beginning of their program or academic year.

The key components are:

- Explain the differences between provincial and federal loans.
- Provide contact information for provincial and federal student loan service centres.
- Encourage students to create online accounts with the provincial and federal student loan service centres so they can view their loan balance and disbursement details and update their contact information.
- Provide information to students about how to develop a spending plan.

Best Practices

Listed below are practices that post-secondary institutions in Alberta recommended as effective in delivering the online resource, **Understanding Your Student Loan** to their students.

One-on-One Loan Counselling

- Provide one-on-one counselling for new students three weeks into their program. Use this personal session with a student financial advisor to touch base and review loan information.
- Provide loan information when students apply to attend programs, and/or in the interviewing stage of assessing students for a program.

Self-Directed

- Encourage students to register for online accounts with the federal and provincial student loan service centres. Provide students with web links and explain the features and benefits of online accounts, such as able to easily update address and contact information, view loan balances, and set up automatic payments.
- Use Advanced Education's resources for post-secondary institutions, and create a package for new students containing relevant loan information such as budgeting tips, websites and contacts etc., and give this package to new students.
- Create a Loan Education Binder for students containing all the loan repayment resources found on studentaid.alberta.ca. Maintain this information on paper, in a central location for ease of access by students.

TIP

A binder with paper copies of loan information is a great resource for students who may not have Internet access at home.

TIP

Many resources are downloadable from the Student Resources section on studentaid.alberta.ca.

TIP

Making a presenting on student loans and quizzing students is a great way to provide loan information to students who may struggle with detailed written documents.

Group Loan Counselling

Develop *Orientation Days* for new students and provide loan information in the following ways:

- Hold a student orientation day to offer information about student loans, demonstrate the studentaid.alberta.ca website and introduce new students to the campus resource centre for loan information.
- Provide a lunch and learn orientation session over the weekday lunch hour. Encourage attendance by offering free lunch and prizes.
- Offer a new student orientation session several times at the beginning of each new semester, and include a student loan workshop as one component of the orientation.
- Use the links to budget workbooks available on the Repaying Your Loan section on studentaid.alberta.ca in one-on-one or small group loan counselling sessions.
- Use the loan repayment estimator available on **the Government of Canada website** in one-on-one or group sessions to illustrate how much students will need to pay back monthly. Create different scenarios for various balances and payment terms to illustrate monthly payments to the students. This tool is useful for a student first receiving a loan and when entering into repayment.
- If your post-secondary institution is smaller, develop a brief PowerPoint presentation of key information about loans. Use one class to go over the presentation and quiz the students about the material.
- At the beginning of a program, have students register for online accounts with both the provincial Student Aid Alberta Service Centre and the federal National Student Loans Service Centre. Encourage students to visit their accounts regularly. These online accounts are similar to online banking; students can view their loan balance, disbursement details and update their contact information.

REMINDER

Students who have completed their studies have a six month grace period after their last date of study before having to make the first loan payment. Alberta student loans also remain interest free during this time.

DID YOU KNOW?

Government repayment assistance programs help students who need assistance with making loan payments. Students may be given a reduced monthly payment for six months, or they may not need to make a payment at all for some months until their situation changes.

For more information on repayment assistance programs, visit studentaid.alberta.ca.

Repaying Your Loan

Repaying Your Loan is a loan counselling resource available on the Student Aid Alberta website. It is normally provided to students who are nearing completion of their studies, whether through graduation, withdrawals or non-completion.

The key components are:

- Inform students that six months after their program graduation or completion they will be required to make their first loan payment, which may be on both their provincial and federal loans.
- Educate students on the consequences of missing payments.
- Provide resources and information about government repayment assistance programs and how to apply for them.
- Educate students on the importance of updating their contact information with the provincial and federal student loan service centres.
- Encourage students to create online accounts with provincial and federal student loan service centres, so students can view their repayment details and update their contact information.

Best Practices

Listed below are the practices post-secondary institutions in Alberta recommended as effective in delivering repayment resources to their students.

One-on-One Loan Counselling

As the program is nearing completion, deliver the following information in one-on-one or group loan counselling sessions:

- Inform students of the government repayment assistance programs available if they need help repaying loans. Remind students that being on a repayment assistance program does not affect their credit rating, but missing a payment does. Visit the Repayment Assistance section on studentaid.alberta.ca for more information on repayment assistance programs and how to apply for them.
- Stress the importance of students calling the Student Aid Alberta Service Centre if they have any loan-related problems. Call centre representatives can help students avoid going into default which can negatively impact their credit rating.
- Stress that even one missed payment goes on the student's credit report.
- Have a representative from your institution (e.g., student advisor, teacher or registrar) conduct one-on-one sessions with graduating students to inform them about the consequences of not paying back loans. This helps ensure that students have clear, accurate and up-to-date information about the consequences of missing payments. (see Appendix B for more on credit rating).
- Make it a requirement that students approaching graduation visit your institution's student financial aid office or career centre in order to graduate. Provide them with loan repayment information at that time in a one-on-one session.

REMINDER

Students only need contact a provincial or federal student loan service centre to access information about their loans. See **Appendix A** for contact numbers.

DID YOU KNOW?

There are many consequences of missing payments on a student loan. The student's credit rating is affected, a collection agency will collect the loan, and the student may not receive GST and tax refund cheques.

The student also cannot access future loans until the student loan is brought into good standing.

- Use the *Loan Repayment Handbook* in one-on-one sessions with students. Have students review the material and sign the handbook to show that they have read and understood the material. The handbook is available on studentaid.alberta.ca
- Require students to pick up their diplomas in person, and provide one-on-one loan repayment counselling at that point. Ask the graduate student several questions:
 - > Do you have access to the Internet?
 - > Can you find the websites for the Student Aid Alberta Service Centre and the National Student Loans Service Centre?
 - > Are you familiar with the phone numbers and websites of these provincial and federal student loan service centres?
 - > Do you know you can call the provincial and federal student loan service centres for help if you can't make payments?

Self-Directed

- Create a targeted communication package about loan information and mail it to graduating students. Include information about the provincial and federal student loan service centres, budget workbooks and repayment assistance programs.
- Create a one-page document with contact names, phone numbers and website information for all the student loan service centres. Give this information to all students who are graduating or withdrawing from their programs (see **Appendix A**).
- Direct students to the Repaying Your Loan section on studentaid.alberta.ca. Ask students questions about this information to confirm they understand it.

Group Loan Counselling

- Require that all graduating students attend a mandatory session about loan repayment. Conduct this session in a small group and use a PowerPoint presentation to provide information about the provincial and federal student loan service centres (including website addresses and phone numbers) and repayment assistance programs. Let students know that they will be required to start payments six months after program completion.
- Provide an employment workshop one month before graduation that includes resume information, employment tips and loan repayment details.
- Invite bank representatives to speak to classes that are nearing graduation about the importance of good credit. Note: Exercise caution since bank representatives may try to sell their own bank products.
- Contact the Money Mentors group, a not-for-profit organization, to create and deliver presentations for students (for a small fee). Money Mentors delivers two presentations to students: one in the first year about budgeting, and a second one as they are close to graduation.

- Encourage your students to use the online resource, the **MoneyProject.ca**. Sponsored by the Chartered Accountant's Education Foundation of Alberta, the Money Project is a free online portal to money management resources and links for students.
- As graduation approaches, provide a class session to talk to students about repayment information and review how students can easily manage their loans with their online accounts with the Student Aid Alberta Service Centre and the National Student Loans Service Centre (see Appendix A).
- Encourage students to start making loan payments as soon as they graduate, rather than after the six-month grace period. Early payment benefits students for several reasons:
 - > It helps them develop a habit of making payments immediately.
 - > There will be less chance of them missing a payment six months after they have graduated because they may have forgotten about their loan.
 - > It helps them pay back the entire loan sooner.
- Develop a strong relationship with students that continues after graduation. This provides an extra line of communication and another resource for them to call with loan questions after they graduate. Here are some ways your post-secondary institution can develop a continuing post-graduation relationship with students:
 - > Encourage students to call the post-secondary institution anytime for job resources or loan information. Let them know they can still contact the institution and ask for help.
 - > Develop an online alumni group to help students with their careers. Use this online group to send out messages related to loan details such as when it's consolidation time, to remind students to update their address and to provide information about government repayment assistance programs.
 - > Contact graduates through email, Canada Post or phone calls six months after graduation to remind them of government repayment assistance programs and to provide the contact numbers of the provincial and federal student loan service centres (see Appendix A).

TIP

The online loan counselling resources, *Understanding Your Student Loan* and *Repayng Your Loan* are quick and easy ways for students to get the right information at both the beginning and end of their studies.

Have you visited studentaid.alberta.ca to view some of these valuable resources?

2. Leveraging Technology

By taking full advantage of the Internet, email and other electronic systems, post-secondary institutions can help student borrowers understand and manage their loans and connect directly with the student loan service centres.

Listed below are the ways post-secondary institutions in Alberta recommended as effective in leveraging technology to provide loan information and resources to their students.

- Provide your students with the websites for the provincial and federal student loan service centres:
 - Student Aid Alberta Service Centre at: studentaid.alberta.ca
 - National Student Loans Service Centre at: canada.ca/student-financial-assistance
- Have students create online accounts with the provincial and federal student loan service centres where they can view their loan balance, make payments, change the terms of their loans and update their contact information. This can be done at any point of a student's studies (see Appendix A for more details).
- On your school's website, provide a separate section about financial assistance where you provide links to studentaid.alberta.ca and canada.ca/student-financial-assistance.
- Provide computers for students to use in a common area so they can digitally access financial assistance information as well as use the computer for employment-related searches.
- Using social networking tools such as Facebook or Twitter, create an alumni group for each graduating class as a way to communicate with graduates. Use this tool to remind students that the six-month grace period is coming up and they will consolidate their loans soon.
- Allow students to use their student email addresses for up to two years after leaving your institution so you can stay in contact with borrowers, and remind students to keep their personal information current with either one of the student loan service centres.
- Use Advanced Education's Confirmation of Registration (COR) system to identify students with a student loan. This can help you to target loan-funded students specifically with emails or mailouts of loan information and other related resources.
- Use the online career and education planning guide, *This is Your Life* and the loan counselling resource, *Understanding Your Student Loan* in group loan counselling sessions to help students prepare for post-secondary education and training.

3. Managing Student Retention

Student borrowers who stay in school and graduate from programs are more likely to repay their loans than students who do not successfully complete programs.

Listed below are methods post-secondary institutions in Alberta recommended as effective in helping students maintain attendance and achieve program completion (graduation). Post-secondary institutions that develop close relationships with students are better able to monitor students status and to offer help so students do not reach the point of having to withdraw.

- Let all students know they are required to make their first loan payment six months after their last day of studies - regardless of whether they successfully complete their program.
- Have academic advisors or instructors work with students to make sure they are in the right program that suits their future employment goals.
- When a student withdraws or drops out, discuss with the student how their financial assistance is affected. Inform the student that any money they have received as a grant may have to be repaid to the government.
- Establish a formal withdrawal procedure that requires students to get sign-off by someone in the financial aid office before students are allowed to withdraw. Use this as an opportunity to inform students of their loan repayment obligations.
- If a student changes their study status (for example, from full-time to part-time), request a one-on-one meeting with the student to discuss the impact on their loans and grants.
- If a student withdraws without notifying your institution, attempt to contact them by phone, email and letter to go over their loan responsibilities.
- When a student withdraws from their program, send an information package to the student's home address summarizing loan repayment and repayment assistance resources.
- When a student has withdrawn, immediately mail the student a letter with their revised consolidation date and information about government repayment assistance programs.
- Depending on the size of your institution and student population, you may wish to develop a new staff position called a student success coach, whose role is to identify students at risk through attendance issues or performance issues to work with these students toward successful completion.
- Work closely with students who are having trouble completing assignments or attending classes to ensure that they complete their studies successfully.

- If your post-secondary institution has small class sizes, have students who miss more than four hours of class time meet with an instructor to discuss the reasons and determine how to get them back on track.
- Provide reference letters for students as well as employment contacts. Use these as motivators to ensure good attendance (for example, by letting students know at the start of the program that if they miss classes, they will not receive a reference letter).
- Give students time to work on their resume and job search.
- If many of your students do not have easy access to the Internet, advise students where they can get free Internet access, such as public libraries.

4. Providing Employment Services

Student employment is one of the main factors influencing loan repayment. Students who have enough income to meet their debt obligations are more likely to repay their loans, whereas students who have insufficient income to cover debts are more likely to default on their loans.

Alberta post-secondary institutions also stressed the importance of helping students find employment. Listed below are the ways they recommended for providing career assistance to students.

- Focus on helping students become employable. Some students may not know how to find employment resources or online job tools. Have a student advisor, program advisor, student counsellor or instructor help them with resume-writing classes and workshops. The instructor can provide the extra help and attention these students may need.
- Make it mandatory for students to meet with a career counsellor before they graduate.
- Create industry-focused boards with external industry connections to help ensure that your programs are relevant and to help students develop industry connections for employment.
- Provide a job-shadowing program for students so they gain valuable experience and contacts for future employment.
- Review employment websites with students and provide them with links to resources such as the Alberta Learning Information Service web page for job seekers at alis.alberta.ca/jobs.

5. Building Alliances and Training Staff

A large post-secondary institution having involvement and support from all its departments in implementing its loan repayment strategy can often find innovative ways to educate students about their loans. Informing and training staff about loan repayment strategies helps to encourage this support and to make student loan repayment a priority for all staff. Students benefit by hearing a consistent message from all departments and staff.

The following suggestions for collaboration and training were recommended as effective by post-secondary institutions in Alberta.

- Stress the importance of loan repayment to all departments and areas in your institution. Seek their input in developing your strategy and request their assistance in promoting loan resources.
- Get crucial buy-in from department staff by explaining specific benefits and advantages of your loan repayment strategy for their department.
- Enlist the assistance of alumni organizations and the registrar's office to provide updated address information to the provincial and federal student loan service centres.
- Subscribe to Advanced Education's email listserv to receive up-to-date information about training opportunities, program/policy changes and more. To subscribe, email program.servicesdelivery@gov.ab.ca.
- Encourage staff to learn more about student loan and grant funding by giving them opportunities to attend free training provided by Advanced Education each year for post-secondary institutional staff across Alberta.
- You can find information about training opportunities in your area through Advanced Education's Program Services Delivery email alerts and the Resources for Schools section on the Student Aid Alberta website at:
 - studentaid.alberta.ca/training-for-schools

Maintaining Your Strategy

This guide recommends the following steps in developing a loan repayment strategy for your post-secondary institution:

- Understand the factors promoting loan repayment and the factors contributing to loan default.
- Customize your strategy based on the unique aspects of your post-secondary institution, your programs and your students.
- Incorporate the five key elements of an effective strategy: educating borrowers through online student loan resources, leveraging technology, managing student retention, providing employment services for students and building alliances and training staff within your post-secondary institution.
- Write down your post-secondary institution's loan repayment strategy, outlining how and when you are providing information to students, and what information you are providing relating to student completion and graduation. Include samples of the resources you are using.
- Implement your strategy building on the practices recommended in this guide and your knowledge of what will work best for your post-secondary institution.

The final and ongoing step is to maintain your loan repayment strategy by reviewing it each year. This will ensure that your strategy remains fresh, relevant and effective, and that you have up-to-date information and resources from Advanced Education.

- Is there a resource or tool you would like to see created? Please contact us and we will try to help you.
- Advanced Education is always available to assist you in developing or reviewing your loan repayment strategy. Please contact Program Services Delivery at: program.servicesdelivery@gov.ab.ca.

A

Contact Information for Student Loan Service Centres

This document can be given directly to students.

Contact Information for Student Loan Service Centres

There are two student loan service centres: one provincial and one federal. Most student aid recipients receive both Alberta and Canada student loans, meaning two separate loans need to be repaid.

Alberta student loans: Student Aid Alberta Service Centre (SAASC)

Toll-free in North America:
1-855-606-2096

TTY for the hearing impaired:
1-855-306-2240

Visit: studentaid.alberta.ca

Services for Students:

- inquire about application status or financial assistance.
- check the status of Alberta student loans and review details of recently received Alberta student loans.
- check loan balances and review loan payment and transaction history.
- process your Alberta student loan payment.
- help you customize your monthly payments or access repayment assistance plans.
- update personal and other contact information.
- access online loan counselling resources.

Register for SAASC's Online Services to:

- review Alberta student loan information
 - check loan balances, obtain details about new Alberta student loans received
 - update personal contact information
-

Canada student loans: National Student Loan Service Centre (NSLSC)

Toll-free in North America:
1-888-815-4514

TTY for the hearing impaired:
1-888-815-4556

Visit: canada.ca/student-financial-assistance

Services for Students:

- check the status of Canada student loans and review details of recently received Canada student loans.
- check loan balances and review loan payment and transaction history.
- update personal and other contact information.
- customize your repayment: fill out a request form to increase or decrease your monthly payment.
- get repayment assistance: if you qualify for periods of repayment assistance, the government will help make payments toward your loan. You could be approved to receive interest and/or principal repayment assistance.
- NSLSC toolbox: tools and resources to help you manage your student loan.

Register for NSLSC's Online Services to:

- review Canada student loan information
 - check loan balances, obtain details about new Canada student loans received
 - apply online for the Repayment Assistance Plan (RAP)
 - update personal contact information
-



B

FAQ for Students:

Loan Repayment and Your Credit Rating

This document can be given directly to students.

FAQ for Students: Loan Repayment and Your Credit Rating

What if I miss a payment?

There are many consequences if you miss even one payment on your provincial or federal student loan:

- Your credit rating is immediately affected.
- Your loans may be sent to a collection agency.
- Any GST or income tax refunds may be automatically used to repay the defaulted loans.
- The provincial and federal governments may take legal action.

What is a credit rating?

A credit rating is an evaluation of the history of your loan repayment. Having a good credit rating will maximize your opportunities to qualify for credit cards or future loans (perhaps for a new car or house), or even to be able to rent an apartment.

How does repayment affect my credit rating?

Student loans are just like any other loan. They must be paid back. When you receive your first Alberta and Canada student loans, these are reported to the credit bureau.

You build a positive credit rating by making payments towards your student loans on time, each month. When you do not make your loan payments on time, you will create a negative credit rating.

What is a credit bureau report?

A credit bureau report includes information about the amount of your outstanding debt and the amount of credit available to you.

This report registers your new debt. When your student loans enter repayment, your payment history is reported each month and will become part of your credit history.

How can I find out my credit rating?

There are two main credit reporting agencies in Canada: TransUnion and Equifax. To find out your current credit rating, you can contact either of these agencies to request a report.



Best Practices Checklist
for Post-Secondary Institutions



Appendix C

Best Practices Checklist for Post-Secondary Institutions

Use this checklist to ensure your post-secondary institution is covering all the key elements of a loan repayment strategy.

TOOLS FOR POST-SECONDARY INSTITUTIONS	
<p>Are all staff subscribed to the email listserv that provides up-to-date information about student loan funding information?</p> <p>To subscribe, email: program.servicesdelivery@gov.ab.ca.</p>	Y or N
<p>Do we have access to the Students Finance System (SFS) and Confirmation of Registration (COR)? These systems allow you to:</p> <ul style="list-style-type: none"> View students' application/funding details Confirm students' registration online <p>For more information, go to: resources-for-schools/sfs-cor-for-schools</p>	Y or N
<p>Are all staff familiar with the Resources section of the Student Aid Alberta website containing program, policy and training resources related to student loan funding?</p>	Y or N
LOAN COUNSELLING: UNDERSTANDING YOUR STUDENT LOAN	
<p>Do we educate students on the differences between provincial and federal loans?</p>	Y or N
<p>Do we provide contact information for both the Student Aid Alberta Service Centre and the National Student Loans Service Centre?</p>	Y or N
<p>Do we provide information on how to budget finances?</p>	Y or N
<p>Did we encourage students to create online accounts with both the Student Aid Alberta Service Centre and the National Student Loans Service Centre?</p>	Y or N
LOAN COUNSELLING: UNDERSTANDING REPAYMENT	
<p>Do we educate students on the consequences of missing payments?</p>	Y or N
<p>Do we provide resources and information about government repayment assistance programs and how to access them by contacting either the Student Aid Alberta Service Centre or the National Student Loans Service Centre?</p>	Y or N
<p>Do we inform students that six months after their program completion, they will start making their first payment on their loans, which may include both provincial and federal loans?</p>	Y or N
<p>Do we educate students on the importance of updating their contact information for both provincial and federal loans with the Student Aid Alberta Service Centre or the National Student Loans Service Centre ?</p>	Y or N
<p>Did we encourage students to create online accounts with both the Student Aid Alberta Service Centre or the National Student Loans Service Centre?</p>	Y or N

LEVERAGING TECHNOLOGY	
Are we using digital resources to provide loan information? For example, student loan service centre web links or loan resources posted on Student Aid Alberta, and/or use email and social media to send information to students.	Y or N
Do we provide students with web links to both provincial and federal loan student loan service centres? They are: <ul style="list-style-type: none"> • studentaid.alberta.ca • canada.ca/student-financial-assistance 	Y or N
Do we have students review the online loan counselling resources, Understanding Your Student Loan and Repaying Your Loan found on studentaid.alberta.ca ?	Y or N
Did we encourage students to create online accounts to manage their loans with the Student Aid Alberta Service Centre and the National Student Loans Service Centre?	Y or N
MANAGING STUDENT RETENTION	
Do we have a way to identify students at risk of withdrawal or non-completion?	Y or N
Do we have a way to help students who are having academic difficulties? For example, can we give these students extra instruction or extra tutorials?	Y or N
Do we help students understand how withdrawing or dropping out of their program will affect their loans and grants?	Y or N
PROVIDING EMPLOYMENT SERVICES	
Does our post-secondary institution help students with their resumes?	Y or N
Does our post-secondary institution help students find work?	Y or N
BUILDING ALLIANCES AND TRAINING STAFF	
Do we work with all departments in our post-secondary institution to ensure we are providing the same information to students about loans?	Y or N
Have our staff attended the annual training sessions offered by Advanced Education?	Y or N
Are staff signed up for the email listserv so they receive up-to-date information about training and resources through email?	Y or N
Is our post-secondary institution familiar with the information on the Student Aid Alberta website? <ul style="list-style-type: none"> • Have I seen the Resources for Schools section on studentaid.alberta.ca? • Have I seen the Student Aid Policy section on studentaid.alberta.ca? • Have I seen the Training for Schools section on studentaid.alberta.ca where I can learn more about free training for staff? 	Y or N
OTHER ITEMS FOR A POST-SECONDARY INSTITUTION	
Is our loan repayment strategy written down and accessible to all relevant staff?	Y or N
Do we review our strategy annually to ensure the resources are still current?	Y or N
Have I contacted the Designation Services Unit, Program Supports Branch in Advanced Education for feedback, advice and answers to questions about my strategy?	Y or N

D

Overview of Annual Repayment Rates and Designation Process

Appendix D

Overview of Annual Repayment Rates and Designation Process

What Is Designation?

Designation is the status assigned to a post-secondary institution and its programs that meets specific criteria making the institution eligible for student financial assistance (loans and grants).

The authority to designate programs for both federal and provincial student financial assistance is provincial. Post-secondary programs offered by public institutions are approved by the minister and are automatically designated.

Post-secondary programs offered by private vocational institutions are designated by Designation Services in the Program Supports Branch. A program must first be licensed by the Private Vocational Training Branch of Alberta Advanced Education to be eligible for designation.

- Licensing and designation are separate. A program can be licensed but not designated, but a program must be licensed before it can be designated.
- The Private Vocational Training Branch licenses programs. The Program Supports Branch designates programs.
- A post-secondary institution may have a variety of programs, some that are designated and some that are not designated.
- The Alberta Institution Designation Agreement (AIDA) is the contract a private vocational institution must sign to be designated. The AIDA contains the contractual obligations for the post-secondary institution regarding designation as well as the administration of student loans and requirements.
- The repayment rates for institutions are monitored and reviewed annually in accordance with the Pan-Canadian Designation Policy Framework.

What Is the Pan-Canadian Designation Policy Framework?

In 2001, provincial, territorial and federal governments, through the Intergovernmental Consultative Committee on Student Financial Assistance (ICCSFA), agreed to develop a Designation Policy Framework with common elements to be applied in all jurisdictions for the designation of post-secondary institutions.

In 2006, the Deputy Minister of Advanced Education signed the framework. The framework gives assurance that a consistent minimum standard is applied by the provinces and territories in their decisions to designate post-secondary institutions or programs, and that students and taxpayers will receive an appropriate return on their education investment.

Four principles of the framework

- Taxpayer protection
- Accountability and informed choice
- Consumer protection
- Complementary to other post-secondary education policies

Annual Process for Monitoring and Reporting Repayment Rates

Loan repayment rates for all programs at all post-secondary institutions are evaluated annually. Rates are measures of cohorts of students who have been in repayment for 18 to 24 months to allow fair time for students to establish a repayment pattern.

Repayment rates are measured against established thresholds in Alberta. Every program is evaluated annually against the following thresholds:

- **Acceptable:** 85.2% to 100%
- **Cause for concern:** 60% to 85.1%
- **Unacceptable:** 0% to 59.9%

Designation is reviewed at a post-secondary institution level. Letters and repayment reports are sent annually to all post-secondary institutions in Alberta.

De-Designation Due to Low Repayment Rates

De-designation means students attending an institution are not eligible to receive student financial assistance.

When an institution has three years of unacceptable rates and 10 or more students who consolidated in that time period, it may be recommended for de-designation.

A post-secondary institution can be de-designated for reasons other than unacceptable program repayment rates (e.g., non-compliance with requirements defined in the AIDA).

De-designation of a program does not affect a program's licensing or approval status. A post-secondary institution can still offer the program, but students are not eligible for student financial assistance.


A post-secondary institution can appeal by contacting Program Services Delivery at: program.servicesdelivery@gov.ab.ca to request an appeal form. A post-secondary institution has 60 days to file an appeal after receiving notice of the de-designation.



E

Sample Alberta

Institution Designation Agreement (AIDA)



Appendix E

Sample Alberta Institution Designation Agreement (AIDA)

This is a sample of the AIDA that each private post-secondary institution has signed. Each institution has a unique contract number assigned to its AIDA.

It is recommended that you keep a copy of your AIDA in your files and review the requirements of the AIDA with any new staff member that is a delegated authority in relation to student funding. If you cannot locate your copy, please contact Program Services Delivery at: program.servicesdelivery@gov.ab.ca.

MEMORANDUM OF AGREEMENT Alberta Institution Designation Agreement

This Memorandum of Agreement is made on _____, 20__.

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF ALBERTA
as represented by the Minister of Advanced Education
("Minister")

– and –

Legal Name Of Private Vocational Institution {if Incorporated} OR
Owner's Legal Name, operating as Name of Private Vocational Institution
{if using a Trade Name} ("Legal Owner")

WHEREAS Alberta administers financial assistance programs for post-secondary students in accordance with the *Alberta Student Financial Assistance Act*, as amended, and in accordance with agreements under the *Canada Student Loans Act* and *Canada Student Financial Assistance Act*;

AND WHEREAS the provision of financial assistance to private vocational institution students is contingent upon the institution meeting the requirements set out in Schedule 2 of the *Alberta Student Financial Assistance Regulation*;

AND WHEREAS the Government of Alberta's policy dealing with the designation of private vocational institutions for financial assistance is designed to strengthen consumer protection, encourage student choice, protect program integrity, and increase repayment rates on student loans;

AND WHEREAS the Government of Alberta is committed to providing personnel for consultation and support to post-secondary institutions in the development and evaluation of administrative processes that promote student success. This includes the distribution of materials that outline students' rights and responsibilities in repayment, programs that are available to students who are experiencing financial difficulties, and administrative materials for schools;

AND WHEREAS the post-secondary institutions and personnel are expected to focus on student success, including strategies to retain students and supports that improve their overall employability.

IN CONSIDERATION OF the Minister providing financial assistance to students registered in programs of study offered by Name of Institution (“Institution”) that are licensed under the *Private Vocational Training Act*, the Legal Owner therefore agrees to the following:

1. The Legal Owner will comply with and adhere to all applicable provisions of the *Canada Student Financial Assistance Act*, the *Alberta Student Financial Assistance Act*, the *Private Vocational Training Act*, the *Freedom of Information and Protection of Privacy Act* and associated regulations, policies and procedures, as amended from time to time.
2. The Legal Owner acknowledges that any information and records maintained or exchanged under this Agreement may be subject to the privacy and access provisions of the *Freedom of Information and Protection of Privacy Act*. Should the Minister receive a request for any of those records, the Legal Owner shall forward the records, at the Legal Owner’s expense, to the Minister within 5 business days from the official notification by the Minister. The Legal Owner agrees to retain all such records for at least one year after this Agreement expires or is terminated
3. The Legal Owner shall not, in its advertising dealing with vocational training,
 - (a) make reference to the fact that funding has been or may be issued to the Institution’s students by the Minister as a recruiting tool, or
 - (b) refer to the Minister, the Government of Alberta or any department of the Government of Alberta other than by the use of the words “vocational training licensed under the *Private Vocational Training Act*”unless the advertisement is approved by the Minister.
4. The Legal Owner will define and publish its tuition refund policy with respect to its licensed programs as set out in the *Private Vocational Training Regulation* in applicable official school materials, such as student handbooks, application packages and/or student contracts.
5. The Legal Owner will provide information concerning a student’s academic performance and/or mailing address when requested by the Minister, and will ensure that it has the necessary authority to do so in accordance with the *Alberta Freedom of Information and Protection of Privacy Act*. Upon providing this information to the Minister, the Minister shall ensure that said information is handled in accordance with the requirements of *Freedom of Information and Protection of Privacy Act* and applicable policies and guidelines dealing with the protection of personal information.
6. If a student withdraws from full-time studies or changes to part-time studies, as defined by the *Canada Student Financial Assistance Regulation* and *Alberta Student Financial Assistance Regulation*, the Legal Owner:
 - (a) will notify the Minister of the date of withdrawal or change to part-time studies in accordance with “The Withdrawal From Full Time Studies” section of the Institution’s procedures manual.

- (b) will refund any unused portion of tuition calculated in accordance with the requirements of the *Private Vocational Training Regulation* to the service provider holding the student's loan, within 30 business days of the date of withdrawal in accordance with the requirements of the *Private Vocational Training Regulation* in the manner set out in the Institution's procedures manual,
 - (c) If the student does not attend classes for 5 consecutive business days and has not notified the Institution of his or her withdrawal, the Institution will consider the student as having withdrawn effective the first day of absence and shall notify the Minister in accordance with this section.
7. The Legal Owner will provide the Minister with the names and sample signatures of staff that are responsible for confirming registration, signing cheque registers, or signing loan documents, and sample signatures of those authorized to sign on their behalf, as outlined in Schedule A which forms part of this Agreement. The Legal Owner is responsible for all activities of these signing authorities as they pertain to the performance of this Agreement and the provision of student financial assistance in accordance with the *Canada Student Financial Assistance Act*, *Alberta Student Financial Assistance Act*, the *Private Vocational Training Act*, the *Freedom of Information and Protection of Privacy Act* and their associated regulations, policies and procedures as amended from time to time. The Legal Owner must, immediately prior to revocation, advise the Minister, in writing, of the names of those persons whose signing authority is revoked and the date upon which such revocation becomes effective.
8. The Legal Owner will allow the Minister's staff on its premises and will cooperate with them, for the purpose of an audit of all the Institution's records to determine its compliance with this Agreement, the *Canada Student Financial Assistance Act*, the *Alberta Student Financial Assistance Act*, the *Freedom of Information and Protection of Privacy Act* and their associated regulations, policies and procedures, as amended from time to time.
9. The Legal Owner may be required to reimburse the Minister for the reasonable cost of any audit, including a forensic audit that the Minister may deem necessary for accountability purposes and where the Legal Owner is found to be in breach of the *Private Vocational Training Act*, but not including routine compliance audits.
10. The Minister may limit, withdraw or refuse to provide financial assistance to students registered in courses of study or programs at the Institution if, in the opinion of the Minister,
- (a) the loan repayment rate of the Institution's former students is not maintained at an acceptable level;
 - (b) the employment placement rate of the Institution's graduates and/or the graduation rate of students registered in the Institution is not maintained at an acceptable level;
 - (c) some of the practices or activities carried on by the Institution are not outlined in or are contrary to the student enrollment contract, published rules and regulations and/or stated policies of the Institution;

- (d) that such action is necessary for the proper administration of the student financial assistance program such as withdrawal of financial assistance for a program on an industry-wide basis; or
 - (e) the Institution fails to comply with this Agreement.
11. The Parties, including their respective employees, agents and subcontractors, shall treat any information acquired, disclosed or exchanged as a result of this Agreement in strict confidence and with the care and security required to ensure that this information is not disclosed or made known to any person except in accordance with the requirements of the Alberta *Freedom of Information and Protection of Privacy Act*.
 12. The Legal Owner agrees to hold harmless the Minister from any and all third party claims, demands, actions or costs (including legal costs on a solicitor-client basis) for which it is legally responsible, including those arising out of negligence or willful acts by the Legal Owner, its employees or agents.
 13. The Legal Owner shall, at its own expense and without limiting its liabilities herein, insure its operations under a contract of General Liability Insurance, in accordance with the Alberta *Insurance Act*, 1999 cl-3, in an amount not less than \$2,000,000.00 inclusive per occurrence, insuring against bodily injury, personal injury and property damage including loss of use thereof. Evidence of such insurance, in a format acceptable to the Minister, shall be made available upon request.
 14. This Agreement is governed by the laws and courts of the Province of Alberta. The terms and conditions of this Agreement are severable to the extent that any one which may be contrary to the laws of Alberta shall be deemed to be modified to comply with the laws, but every other term and condition shall remain valid.
 15. Time is of the essence in this Agreement.
 16. The Legal Owner shall be entitled to rely upon positions taken by and directions received from the Minister's representative and shall have no obligation to seek further assurances or confirmation from the Minister regarding a position taken by or a direction received from the Minister's representative. The Director, Program Supports, is the Minister's representative.
 17. The Minister shall be entitled to rely upon positions taken by and directions received from the Legal Owner's representative and shall have no obligation to seek further assurances or confirmation from the Legal Owner regarding a position taken by or a direction received from the Legal Owner's Representative.

Name of Institution's Representative _____ is the Legal Owner's representative.
 18. A waiver of a breach of a term of this Agreement shall not bind the party giving it unless it is in writing. A waiver which is binding shall not affect the rights of the party giving it with respect to any other or future breach.
 19. Each party warrants that it has the authority to enter into this Agreement and that this Agreement does not contravene any law or contract to which it is subject.

20. The Legal Owner shall not assign this Agreement without the prior written consent of the Minister.
21. This Agreement contains the entire agreement of the parties concerning the subject matter of this agreement and no other understanding or agreement, verbal or otherwise, exist between the parties.
22. The parties shall not change this Agreement except by written agreement.
23. The parties shall continue the performance of their respective obligations during the resolution of any dispute or disagreement, including during any period of arbitration, unless and until this Agreement is terminated or expires in accordance with its terms and conditions.
24. Notwithstanding any other provisions of this Agreement, Sections 11, 12 and 13 shall survive this Agreement and shall continue to bind the parties.
25. This Agreement shall come into effect on the date at the beginning of this Agreement and shall remain in effect until one of the parties gives the other party 50 (fifty) days' written notice or such additional time as may be required, of its intention to terminate this Agreement.

THIS AGREEMENT HAS BEEN EXECUTED by the parties as of the date at the beginning of this Agreement.

Owner's Name, Legal Owner of Name of Institution	HER MAJESTY THE QUEEN IN RIGHT OF ALBERTA as represented by the Minister of Advanced Education
Name	Name
Title	Executive Director, Student Aid Title
Legal Owner's Signature	Per: Minister
Witness	Witness

This is Schedule A to Agreement Number: _____ between HER MAJESTY THE QUEEN IN RIGHT OF ALBERTA as represented by the Minister of Advanced Education and Owner's Name, Legal Owner of Name of Institution and forms part of this Agreement.

SCHEDULE A

Signatures of the Institution's Appointed Officials

I, _____ Owner's Name, Legal Owner of Name of Institution confirm that: _____

1. The Institution staff identified below have authority to confirm registration, sign cheque registers, and/or sign loan documents for students attending _____ Name of Institution _____, and that these responsibilities will be carried out in accordance with the requirements of the Learner Funding Program.

2. The signatures appearing immediately below is (are) that of the official(s) appointed by the Legal Owner to provide counselling to students, supervise and administer the Institution's role in the Alberta Student Loans Program, and to sign loan documents issued in accordance with the *Canada Student Financial Assistance Act*, and the *Alberta Student Financial Assistance Act*.

Signature	
Name (printed)	
Position Title	
Signature	
Name (printed)	
Position Title	
Signature	
Name (printed)	
Position Title	

Sample

Signature of Legal Owner

Date