

Developing a Loan Repayment Strategy

Best Practices for Post-secondary Institutions



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Introduction

Alberta Student Aid delivers financial supports and related services to Albertans in pursuit of post-secondary education, creating opportunities for them to improve their lives and community.

Post-secondary institutions are in an ideal position to support student loan borrowers. With a loan repayment strategy based on effective practices and delivered at key stages of the educational experience, institutions can improve their loan repayment rates, positively impact the student loan experience and help students achieve lifelong financial success.

About this Guide

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

This guide can help administrators and facilitators develop, implement and maintain a loan repayment strategy. It provides a framework for creating a strategy tailored to the unique needs of your institution and students.

Whether you are creating a loan repayment strategy for the first time or refining your current strategy, this guide offers valuable tips, advice, resources and real-world examples gathered from post-secondary institutions of various sizes and student populations in Alberta.

Research Behind This Guide

In 2009, Alberta Student Aid hosted two Best Practices for Loan Repayment Discussion Sessions with representatives of 23 post-secondary institutions in Alberta. Held in Edmonton and Calgary, these sessions encouraged institutions to share their strategies, best practices and innovative ways of providing students with information about managing and repaying loans.

The participating institutions felt their close connection to students helped them educate students about their loans and assist with the loan experience. Although each institution's loan repayment strategy was unique, all the strategies successfully informed students about their loans and increased those institutions' loan repayment rates.

In 2019, Alberta Student Aid followed up with a select group of institutions with dependably good student loan repayment rates and confirmed their successes are consistent with the best practices identified in this guide.

Alberta Student Aid wishes to thank the 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 to students upon 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 in successfully completing their studies.

An institution should review its strategy each year to ensure its resources are current and relevant to students. An effective loan repayment strategy helps keep 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 have certain obligations under the Pan-Canadian Designation Policy Framework, a federal framework provinces must follow in dealing with designated institutions.

The federal government outlines the following responsibilities of students, government and post-secondary institutions:

- **Students** are responsible for making regular payments on their loans or arranging to be on government repayment assistance programs.
- **The provincial government** is responsible for:
 - assigning designation status to approved post-secondary programs, which allows eligible students to apply for provincial and federal student aid,
 - removing designation status if required, and
 - training post-secondary institutions to provide loan information to students, and creating resources for institutions to use and supporting institutions in their loan repayment strategies.
- **Post-secondary institutions** are responsible for providing loan information to students through a developed loan repayment strategy and for maintaining student loan repayment rates at an acceptable level. They are often the closest link to students and are best able to assist students directly.

Contact Us

Alberta Student Aid can help with a loan repayment strategy.

Email: [Portfolio & Institutional Analysis Unit](#)

Alberta Student Aid monitors the student loan repayment rates of all post-secondary institutions in Alberta and evaluates these rates against benchmarks set by the federal government. If an institution has unacceptable loan repayment rates for three years, they may be de-designated.

To learn more about the designation process and benchmarks for loan repayment, see **Appendix D**.

Overview: How to Create a Loan Repayment Strategy

To help institutions create effective strategies tailored to the specific needs of their students, we recommend the following step-by-step approach:¹

- I. **Plan your strategy** by considering the main factors that promote loan repayment and contribute to loan default.
- II. **Customize your strategy** based on unique aspects of your post-secondary institution, your programs and your students.
- III. **Incorporate the five key elements of an effective strategy:**
 - 1) Educating borrowers
 - 2) Leveraging technology
 - 3) Managing student retention and withdrawals
 - 4) Providing employment services
 - 5) Building alliances and training staff

These three steps are detailed in the following pages of this guide. Once you have completed them, we also suggest that you:

- IV. Document your post-secondary institution's loan repayment strategy. Make sure your strategy details how you will provide information to students, what information you will provide upon student completion and graduation, and when you will provide it. Include samples of the resources you will use.
- V. Implement your strategy, incorporating best practices recommended by other post-secondary institutions around Alberta with your own knowledge of what will work best for your institution.
- VI. Maintain your strategy by reviewing and updating it each year 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.

I. Plan Your Strategy

Whether you are creating a new loan repayment strategy or updating an existing strategy, it is always good to begin with some planning. This section will help you understand:

- What factors influence students' ability to repay their loans.
- How to make your strategy specific to your students and their needs.
- How to evaluate your strategy to ensure it 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.

As you plan your strategy, consider the following:

- How can your strategy *increase* the total number of repayment factors?
- How can it *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.
Strong personal and financial management skills.	Poor personal and financial management skills.
Informed about repayment assistance programs and able to contact student funding providers to access these programs.	Poorly informed about repayment assistance programs.
Manageable debt load.	Unmanageable debt, including debt not related to student loans.
Employed or adequate income to meet debt obligations.	Unemployed or low income relative to debt obligations.
Student obtains program credentials.	Student does not obtain program credentials.

II. Customize Your Strategy

No two institutions are alike, 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:

<p>Can you deliver loan information to students in person?</p>	<p>Are your staff available to conduct loan counselling sessions with students?</p> <p>Do you provide information and resources in one-on-one sessions or to a group of students?</p>
<p>Can you deliver loan information to students in a self-directed way?</p>	<p>Is your student population significantly larger than your staff size? If so, your strategy should ensure loan information is given to students in a self-directed way.</p> <p>Do you provide 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 your students have easy access to the Internet and a computer? Are paper resources more suitable than online resources?</p>
<p>When do your sessions begin and end?</p>	<p>Are your students starting programs at the same time?</p> <p>Is it appropriate to deliver the same information to many students at the same time? Or, does information delivery need to be more individualized?</p> <p>Do students start and complete their studies at different times? If so, do they need to receive information individually?</p>
<p>How long are your programs?</p>	<p>Will you provide loan counselling resources throughout the program or deliver resources all at the same time?</p>
<p>Do your staff have ready access to Alberta Student Aid resources?</p>	<p>Are your staff subscribed to the Alberta Student Aid email providing up-to-date information about student funding?</p> <p>To subscribe, go to: Alberta Student Aid Emails</p> <p>Are all of your staff aware of the materials in the School Resources section of the Alberta Student Aid website 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 that incorporates the five key elements common to effective strategies and is delivered in a way that works best for your students.

III. 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 with loan counselling resources:** Going over the resources on the Alberta Student Aid website with your students i.e. Resources for Students materials when they start their studies and Repaying Your Loan as they near completion of their studies.
2. **Leveraging technology** in all its forms to provide loan information and resources through the Internet, email, social media and other digital systems.
3. **Managing student retention and withdrawals**, helping students finish their programs and informing students who fail to graduate about their loan obligations.
4. **Providing employment services** to students to help them secure employment after program completion.
5. **Building alliances and training staff**, working with all departments in your institution to provide consistent student loan repayment information to your students.

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 with Loan Counselling Resources

Entering and leaving post-secondary programs are major transitions in students' lives. An effective strategy will educate students about loan repayment and encourage them to take control of their financial situation at these crucial moments.

Luckily, there are resources and best practices available to help you do this.

Resources to Help Students Understand Their Loans

The [Resources](#) section on the Alberta Student Aid website contains information to help students better understand their loan funding and obligations. Share these with your students when they first receive a student loan or at the beginning of their program or academic year.

These resources provide:

- An explanation of the differences between provincial and federal loans.
- Contact information for provincial and federal student loan service centres.
- Information on how to create online accounts with the provincial and federal student loan service centres so students can view their loan balance and disbursement details and update their contact information.
- An explanation of the student loan life cycle from academic start, to the six-month grace period where no payments are required, to when loan repayment begins.
- Information about financial literacy and how to develop a spending plan.

Tip!

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

Access resources on understanding student loans at:

- [Resources](#)

Delivering Online Resources to New Students: Best Practices

There are many ways of delivering online material to your students. Here are the best practices Alberta Student Aid has gathered from post-secondary institutions in Alberta. These methods have proven effective in delivering online resources to students at the beginning of their program.

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.

For example, how to update address and contact information, view loan balances, and set up automatic payments.
- Use Alberta Student Aid’s resources for post-secondary institutions to create a package for new students containing relevant loan information such as budgeting tips, websites and contacts and more, 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. Keep this information on paper and store it in a central location that students can easily access.

Tip!

Making a presentation 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 sessions for new students and use them to deliver loan information. For example, 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 budget workbooks available in the [Resources](#) section at studentaid.alberta.ca to guide one-on-one or small group loan counselling sessions.

Reminder

Students who have completed their studies have a six-month grace period after their last date of study before they must make a first loan payment.

Student loans also remain interest-free during this period!

- Use the [loan repayment estimator](#) available on the Government of Canada website in one-on-one or group sessions to give some examples of monthly payment options available to students and show them how loan repayment will work. Give an assortment of examples with different balances and payment terms. This tool is useful for when students first receive 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 Alberta Student Aid Service Centre and the federal National Student Loans Service Centre.
- Encourage students to access their online accounts regularly. These online accounts are similar to online banking; students can view their loan balance, disbursement details and update their contact information.

Tip!

Students who need help with repaying their loans may be eligible for [Repayment Assistance Programs](#)

- A reduced monthly payment for 6-months, or
- No payments for some months until their financial situation changes.

Resources to Help Students Understand Repayment

The [Repayment](#) section on the Alberta Student Aid website provides valuable information for students about making payments, payment methods, repayment tips and repayment assistance plans. These resources can be shared with students who are nearing the end of their studies, whether at graduation, withdrawal or non-completion.

These resources provide:

- A notice that six months after the end of their program, students will be required to make their first loan payment on their provincial and/or federal loans.
- Information on how to make loan payments and the consequences of defaulting.
- An explanation of the types of interest rates on student loans and how they are applied.
- Information on the importance of updating contact information with the provincial and federal student loan service centres.
- Information on how to create online accounts with both provincial and federal student loan service centres so students can view their repayment details and update their contact information.

Contact Us

Students can contact the Alberta/Canada Student Loans Service Centre to access information about their loans.

See Appendix A: Contacts

Delivering Repayment Information to Students: Best Practices

Here are the best practices Alberta Student Aid has gathered from post-secondary institutions in Alberta.

Getting Key Information to Students near the End of Their Program

As students approach the end of their program, it is important they understand certain realities about their loan. An effective strategy will deliver the following either 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. Students can find information on eligibility and how to apply for [Repayment Assistance](#) on the Student Aid website.
- Stress the importance of students calling the Alberta Student Aid Service Centre and National Student Loans Service Centre when 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 students acquire a clear, accurate and up-to-date understanding about the consequences of missing payments. (See Appendix B for more on credit rating).
- Make it a requirement that students close to graduation visit your institution's student financial aid office or career centre in order to graduate. Provide them with loan repayment information in a one-on-one session.
- Use *Repayment Essentials* in one-on-one sessions with students. Have students review the material and indicate that they have read and understood it.

Reminder

There are consequences to missing a student loan payment:

- Your credit rating will be negatively affected
- Your loans will be sent to a collection agency
- You may not receive any GST and tax refund cheques
- You lose your eligibility for future student loans until you bring your loan back into good standing

Repayment Essentials is available in the [Resources](#) section on studentaid.alberta.ca.

- Require that students pick up their certificates in person and use this opportunity to provide one-on-one loan repayment counselling. Ask the graduating student several questions:
 - Do you have access to the Internet?
 - Are you aware of the websites for the Alberta Student Aid 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

Post-secondary institutions can also encourage students to equip themselves for loan repayment through self-directed learning.

- Create a targeted communication package about loan information and mail or email 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

Group sessions can be an effective way to reach students close to graduation. The following have proven to be effective:

- Make it mandatory that all graduating students attend a loan repayment session. Small group sessions are most effective. Use a PowerPoint presentation and deliver information about the provincial and federal student loan service centres (including website addresses and phone numbers) and repayment assistance programs. Remind students that they will be required to start payments six months after program completion.
- Provide an employment workshop one month before graduation that includes resume writing, 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.)
- Hire [Money Mentors](#), a not-for-profit money management service, to deliver presentations to your students. (Note: Money Mentors can provide two presentations for students: a budgeting presentation for new students and another geared toward students approaching graduation.)

- Encourage your students to use [The Money Project](#), an online resources hub sponsored by the Chartered Accountant's Education Foundation of Alberta. This website offers free money management information for students.
- As graduation approaches, arrange in-class sessions to inform students about repayment information and review how students can easily manage their loans with their online accounts using the Alberta Student Aid 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 forgetting about their loan and missing a payment once the grace period is over.
 - It helps them pay back the entire loan sooner.

Maintain a Relationship with Graduates

Developing a relationship with students that continues after graduation provides an extra line of communication. You can act as another resource for them to call with loan questions after they graduate. Here are some ways your post-secondary institution can develop a relationship with graduating 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 or Facebook page 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), remind students to update their address and 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!

Alberta Student Aid's website has valuable resources for students on understanding student loans and repayment.

2. Leveraging Technology

With the Internet, email and other electronic systems, post-secondary institutions can help student borrowers understand and manage their loans and connect with the student loan service centres.

Here are some ways post-secondary institutions in Alberta have effectively leveraged 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:
 - [Alberta Student Aid Service Centre](#)
 - [National Student Loans Service Centre](#)
- 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. For more details, see **Appendix A: Contacts**.
- Provide a separate section on your school's website about financial assistance. Here you can offer resources and link to studentaid.alberta.ca and canada.ca/student-financial-assistance.
- Provide computers for students to use in a common area so they can access financial assistance information and research employment opportunities.
- Use social media platforms such as Facebook or Twitter to create an alumni group or page for graduates to communicate with each other each. You can also use this tool to remind students when the six-month grace period begins and ends and when they need to begin repaying their loans.
- 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 the student loan service centres.
- Use Alberta Student Aid's Confirmation of Registration (COR) system to identify students with a student loan. This can help you to target loan-related emails to those students.

3. Managing Student Retention and Withdrawals

Student borrowers who stay in school and graduate from programs are more likely to repay their loans than students who do not successfully complete their programs. Taking measures to prevent instances of student withdrawal will increase your school's repayment rate.

Overall, post-secondary institutions that develop close relationships with students are better able to monitor students' status and offer help to students considering withdrawing.

Maintain Attendance and Program Completion Rates

Here are some methods Alberta Student Aid has gathered from post-secondary institutions in Alberta to help students maintain good attendance and complete their program.

- 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 prospective students to make sure they are enrolling in the right program that suits their future employment goals and that they can meet the admission requirements for that program.
- 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.
- Depending on the size of your institution and student population, you may wish to develop a new staff position similar to a student success coach, whose role is to identify students with attendance issues or performance issues and 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 employer contact information. 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.

Contacting Students Who Withdraw

Here are methods post-secondary institutions recommended as effective in communicating loan obligations to students who withdraw from their program.

- When a student withdraws or drops out, discuss with them 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 they are allowed to withdraw. Use this as an opportunity to inform students of their loan repayment obligations.
- 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 email or home address summarizing loan repayment and repayment assistance resources.
- When a student has withdrawn, immediately mail the student a letter with their revised repayment start date and information about government repayment assistance programs.

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 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 an advisor or counsellor help them with resume-writing classes and workshops.
- Make it mandatory for students to meet with a career counsellor before they graduate.
- Create industry-focused boards with external industry connections to ensure your programs are relevant and help students develop industry connections.
- Provide a job-shadowing program for students so they gain valuable experience and contacts for future employment.
- Provide reference letters for students as well as employer contact information.
- 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/.

5. Building Alliances and Training Staff

A large post-secondary institution can often find innovative ways of educating students about loans if they involve all its departments and staff. Informing and training staff about loan repayment strategies helps to encourage this support and make student loan repayment a priority. Students also benefit by hearing a consistent message from all departments and staff.

Here are some of the best practices Alberta Student Aid gathered from post-secondary institutions in Alberta regarding building alliances and training staff.

- 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 buy-in from department staff by explaining specific benefits of your loan repayment strategy for their department.
- Ask alumni organizations and the registrar's office to inform the provincial and federal service centres if student contact information changes. These organizations are often the first to know of these changes.
- Subscribe to Alberta Student Aid's emails to receive up-to-date information about student funding, training opportunities, program/policy changes and more.
To subscribe, go to: [Alberta Student Aid Emails](#)
- Encourage staff to learn more about student aid funding and loan repayment by attending free training or online webinars provided by Alberta Student Aid. These are offered each year for post-secondary institutional staff across Alberta.
- You can find information about training opportunities in your area through Alberta Student Aid's email service and the Resources for Schools section on the Alberta Student Aid website.

Conclusion

After planning and customizing your strategy around the five effective elements detailed in this guide, 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 Alberta Student Aid.

Is there a resource or tool you would like to see created? Please contact us and we will try to help you.

Alberta Student Aid is always available to assist you in developing or reviewing your loan repayment strategy.

Feel free to email us at:

- [Portfolio and Institutional Analysis Unit](#)

Appendices

Appendix A: Contact Information for Student Loan Service Centres

Appendix B: FAQ for Students: Loan Repayment and Your Credit Rating

Appendix C: Best Practices Checklist for Post-Secondary Institutions

Appendix D: Overview of Annual Repayment Rates and Designation Process

A Contact Information for Student Loan Service Centres

This document can be given directly to students.

Appendix A: 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: Alberta Student Aid Service Centre (ASASC)

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

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

Visit: studentaid.alberta.ca

Student Services:

- 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.

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

Student Services:

- 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.

B FAQ for Students

Loan Repayment and Credit Rating

This document can be given directly to students.

Appendix B: 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 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.

C 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	
Are all staff subscribed to Alberta Student Aid's email service that provides up-to-date information about student loan funding information? To subscribe, go to: Alberta Student Aid Emails	Y or N
Do you have access to the Alberta Student Aid System and Confirmation of Registration (COR)? These systems allow you to: <ul style="list-style-type: none"> • View students' application/funding details • Confirm students' registration online For more information, go to: Alberta Student Aid System	Y or N
Are all staff familiar with the Resources section on the Alberta Student Aid website containing program, policy and training resources related to student loan funding?	Y or N
Loan Counselling – Understanding Your Student Loan	
Do you educate students on the differences between provincial and federal loans?	Y or N
Do you provide contact information for both the Alberta Student Aid Service Centre and the National Student Loans Service Centre?	Y or N
When a student first inquires about starting a program, do you have a method to inform them of the responsibilities of having a student loan and the estimated costs of repayment each month?	Y or N
Do you provide information on how to budget finances?	Y or N
Do you encourage students to create online accounts with both the Alberta Student Aid Service Centre and the National Student Loans Service Centre?	Y or N
Loan Counselling – Understanding Repayment	
Do you educate students on the consequences of missing payments and how it affects credit ratings?	Y or N
Do you provide resources and information about government repayment assistance programs and how to access them by contacting either the Alberta Student Aid Service Centre or the National Student Loans Service Centre?	Y or N
Do you inform students that six months after their program completion (graduation, withdrawal or drop out), they will be required to make their first payment on their loans, which may include both Canada and Alberta student loans?	Y or N
Do you educate students on the importance of updating their contact information for both provincial and federal loans with the Alberta Student Aid Service Centre or the National Student Loans Service Centre?	Y or N

Leveraging Technology	
Are you using digital resources to provide loan information? This includes, for example, maintaining a student loan section on the institution website and using email and social media to send information to students.	Y or N
Do you 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
Managing Student Retention and Withdrawals	
Do you have a way to identify students at risk of withdrawal or non-completion?	Y or N
Do you have a method to help students succeed in program completion?	Y or N
Do you have a way to help students who are having academic difficulties? For example, can you give these students extra instruction or extra tutorials?	Y or N
Do you help students understand how withdrawing or dropping out of their program will affect their loans and grants?	Y or N
Providing Employment Services	
Does your post-secondary institution help students with their resumes?	Y or N
Does your post-secondary institution help students find work?	Y or N
Building Alliances and Training Staff	
Do you work with all departments in your post-secondary institution to ensure we are providing the same information to students about loans?	Y or N
Have your staff participated in annual training sessions offered by Alberta Student Aid?	Y or N
Are your staff signed up for Alberta Student Aid's email service so they receive up-to-date information about training and resources? To subscribe, go to: Alberta Student Aid Emails	Y or N
Is your post-secondary institution familiar the following Alberta Student Aid training resources? <ul style="list-style-type: none"> • Resources for Schools • Student Aid Policy • Training for Schools, where you can learn more about free training for staff 	Y or N
Other Strategies for Post-secondary Institutions	
Is your loan repayment strategy written down and accessible to all relevant staff?	Y or N
Do you review your strategy annually to ensure the resources are still current?	Y or N
Have you contacted Alberta Student Aid for feedback, advice and answers to questions about your strategy?	Y or N

D Annual Repayment Rates & Designation Process

Appendix D: Overview of Annual Repayment Rates & Designation Process

What Is Designation?

Designation is the status assigned to a post-secondary institution and its programs that meet specific criteria that allow eligible students to apply for federal and provincial 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 of Advanced Education and are automatically designated.

Post-secondary programs offered by private career colleges are designated by Alberta Student Aid, but must first be licensed by the Private Career Colleges 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.
- Designation status is a privilege that allows private career colleges to accept students receiving student aid funding. Designation comes with additional compliance responsibilities.
- Designation status is not an endorsement of an institution or its program quality, and institutions cannot advertise their designation status for recruitment purposes.
- A private career college 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 career college 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.

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. This framework was signed in 2006.

The framework assures 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. See the full text of the Pan-Canadian Designation Policy Framework in the [Resources for Schools](#) section of the Alberta Student Aid website.

There are 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

Canada Student Loan repayment rates for all designated programs at all Alberta designated post-secondary institutions are evaluated annually in accordance with the Pan-Canadian Designation Policy Framework. Rates are measures of student loan borrowers entering their consolidation period (six months after borrower's last date of study) taken at a specific point in time where borrowers are identified as either in "good standing" or "delinquent." There is a different cohort of borrowers every year.

Every designated institution in Alberta is evaluated annually against the following established national thresholds:

- Acceptable: 85.2% to 100% (green zone)
- Cause for concern: 60% to 85.1% (yellow zone)
- Unacceptable: 0% to 59.9% (red zone)

Designation is reviewed at a post-secondary institution level. Letters and repayment reports are sent annually to all designated post-secondary institutions in Alberta, and additional follow-up is conducted with specific institutions to learn more about their plan to improve their repayment rates.

De-Designation Due to Low Repayment Rates

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

Canada Student Loan repayment rates are monitored on an annual basis using a three-year evaluation cycle. An educational institution's benchmark zone performance in their first year will determine the evaluation process for three years. When an institution that has unacceptable repayment rates (0%-59.9%) does not meet the benchmark set out in the first year by the end of three years, it may be recommended for de-designation. Institutions with less than ten student loan borrowers will receive repayment rate letters annually, but are not subject to the three-year evaluation process.

A post-secondary institution can be de-designated for reasons other than unacceptable Canada Student Loan repayment rates such as non-compliance with requirements defined in the AIDA.

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

A post-secondary institution can request a review of a decision to de-designate by completing an Appeal Application for De-Designation form. A post-secondary institution has 60 calendar days to file an appeal after receiving notice of the de-designation.

Access the Appeal Application for De-Designation form at:

- [Resources for Schools](#)