MESSAGE FROM
THE MINISTER

The future prosperity of our country depends on Canadians getting the education and training needed to succeed in the job market.

Canada has had much success on this front. The Organisation for Economic Co-operation and Development (OECD) reports that Canadians are among the most highly educated people, with more than half of Canadian adults having a post-secondary education. We know that post-secondary education makes a substantial contribution to Canadian prosperity. According to Statistics Canada, over a 20-year period, a person with a bachelor’s degree will earn between $442,000 and $728,000 more than someone with only a high school diploma.

We want to ensure that our country remains at the forefront of pursuing higher education and that rising costs do not impede access. As part of our commitment to strengthen the middle class and help those working hard to join it, we are making post-secondary education more accessible and affordable for all students.

For the 2014–2015 school year, over 495,000 Canadian students have benefitted from Canada Student Loans, and 366,000 students have received non-repayable Canada Student Grants. Additionally, the most recent Canada Student Loan default rate is 11 percent, which is an all-time low.

Moving forward, students and their families will be benefitting from even more support. This past year, the Government of Canada implemented two significant changes to the Canada Student Loans Program to make
post-secondary education more affordable for students from low- and middle-income families and ensure that student debt loads are manageable:

- On August 1, 2016, Canada Student Grant amounts were increased by 50 percent, in time for the 2016–2017 school year, helping over 360,000 students from low- and middle-income families.

- On November 1, 2016, the Government of Canada enhanced the Repayment Assistance Plan, making it more responsive to recent graduates’ circumstances by ensuring that no single borrower is required to make any repayment until he or she is earning at least $25,000 per year.

The Government is continuing to build on these changes for the 2017–2018 school year, working collaboratively with provinces and territories to make further enhancements. We will expand eligibility for Canada Student Grants. As a result, more students will receive non-repayable assistance. We will also introduce a fixed student contribution model to determine eligibility for Canada Student Loans and Grants. This will replace the current system of assessing student income and financial assets, allowing students to work and gain valuable labour market experience without having to worry about a reduction in their level of financial assistance. This will also benefit adult learners, many of whom work while studying or have accumulated financial assets.

These changes are a direct investment in students that will build on the supports our government already provides, making post-secondary education more affordable and helping young Canadians have a real and fair chance to achieve their potential.

I am pleased to present the 2014–2015 Annual Report of the Canada Student Loans Program, and to reaffirm our support to help Canadians reach their education and career goals.

The Honourable Patty Hajdu, P.C., M.P.
Minister of Employment, Workforce Development and Labour
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INTRODUCTION

This annual report serves to inform Parliament and Canadians about student financial assistance for post-secondary education under the Canada Student Loans Program (CSLP). It provides information and data on loans, grants, repayment assistance and other program benefits during the 2014–2015 loan year (August 1, 2014, to July 31, 2015).

Further detailed information, including historical data on federal student financial assistance over the past number of years, is available on the Government of Canada’s website.
VISION and MISSION

Employment and Social Development Canada

The mission of Employment and Social Development Canada (ESDC), including the Labour Program and Service Canada, is to build a stronger and more competitive Canada, to support Canadians in making choices that help them live productive and rewarding lives and to improve Canadians’ quality of life.

In order to fulfil the mission, the Department’s breadth of responsibility ranges from:

- developing policies that ensure all can use their talents, skills and resources to participate in learning, work and their community;
- delivering programs that help Canadians move through life’s transitions, from school to work, from one job to another, from unemployment to employment, from the workforce to retirement;
- providing income support to seniors, families with children and those unemployed due to job loss, illness or caregiving responsibilities;
- helping Canadians with distinct needs such as Indigenous peoples, persons with disabilities, the homeless, travellers and recent immigrants;
- overseeing federal labour responsibilities; and
- delivering programs and services on behalf of other departments and agencies.

In addition, ESDC will contribute to the Government's commitment to making it easier to access government services online and to establishing new performance standards for federal services.

Canada Student Loans Program

The Canada Student Loans Program provides repayable and non-repayable student financial assistance to eligible students to help them access and afford post-secondary education, and it offers repayment assistance to help borrowers who have difficulty repaying their student loans. As of January 2015, the Program also delivers the Canada Apprentice Loan to apprentices registered in Red Seal trades. Through its support, the Program makes student debt more manageable.
The Government of Canada recognizes the importance of ensuring that student financial assistance addresses the diverse needs of post-secondary students so that they may achieve their education goals and, ultimately, succeed as contributing members of a productive workforce.

The following are the key highlights of the various components of the CSLP in the 2014–2015 loan year, including Canada Student Grants, Canada Student Loans, repayment assistance and support for students with permanent disabilities and loan forgiveness for doctors and nurses. Key highlights for the new Canada Apprentice Loan program are also included.

Canada Student Grants

- In 2014–2015, nearly 366,000 students received financial assistance in the form of non-repayable grants. This includes more than 16,300 grants to support students in part-time study.

- The total value of grants awarded to students in 2014–2015 was $718 million, an increase of approximately 0.3% from the previous year (2013–2014).

Canada Student Loans

- In 2014–2015, the CSLP provided:
  - 489,000 full-time students with $2.7 billion in loans; and
  - 12,100 part-time students with $20.9 million in loans.

- This includes almost 5,600 students who received loans for both full-time and part-time study, or approximately 495,000 individual students who received new loans.

- The number of full-time students receiving Canada Student Loans in 2014–2015 decreased by 0.5%, while the number of part-time students increased by 7.4% from the previous year (2013–2014).
Repayment Assistance Plan

More than 256,000 borrowers received support under Repayment Assistance Plan in 2014–2015, an increase of almost 9.6% from the previous year.

Canada Apprentice Loans

In January 2015, the federal government launched the Canada Apprentice Loan (CAL) program, where borrowers can apply for up to $4,000 in interest-free loans per period of technical training. Loans are available to help pay for tuition, tools, equipment and living expenses, to cover forgone wages or to help support family during training.

In the first seven months of program operations (January to July 2015), 8,400 disbursements were made for a total of $32.3 million in loans to apprentices.

Support for students with permanent disabilities

In 2014–2015, the CSLP disbursed 40,900 non-repayable grants to support students with permanent disabilities, an increase of approximately 8.1% from the previous year.

More than 16,500 individuals received support under the Repayment Assistance Plan for Students with a Permanent Disability, and a further 550 borrowers had loan obligations forgiven via the Severe Permanent Disability Benefit.

Loan forgiveness for doctors and nurses

In the 2014–2015 fiscal year, $12.8 million of student loans was forgiven under the Canada Student Loans Forgiveness measure for family doctors, residents in family medicine, nurse practitioners and nurses who work in rural or remote communities. Nearly 3,000 individuals benefitted from this initiative.
What the Program offers

The CSLP enables Canadians to meet the costs of higher education by offering financial support in the form of:

- Canada Student Loans
- Canada Student Grants
- Repayment Assistance
- Canada Apprentice Loans

The Government of Canada pays the interest on student and apprentice loans while borrowers are in school or technical training. Interest is charged to borrowers upon leaving school, although repayment is not required until six months following the end of studies or apprenticeship.

Canada Student Grants are a non-repayable form of assistance available to students from low- and middle-income families, students with permanent disabilities, students with dependants, as well as part-time students.

The Repayment Assistance Plan supports borrowers who need help in repaying their loans.

Direct government financing and portfolio growth

Since 2000, the Government of Canada has provided student financial assistance directly to borrowers, unlike earlier CSLP lending regimes that were administered by financial institutions.

Under direct lending, the Government of Canada finances and administers the CSLP and Canada Apprentice Loans, contracting with a private-sector service provider (the National Student Loans Service Centre [NSLSC] and the Canada Apprentice Loan Service Centre [CALSC]) to manage student and apprentice loan accounts through all phases of the borrowing lifecycle, from disbursement to repayment.

The direct loan portfolio has grown substantially during the past decade, with increasing numbers of students, and now apprentices, receiving financial assistance to help meet the costs of their post-secondary studies.
Working with partners

The Government of Canada works collaboratively with participating provincial and territorial governments to deliver student financial assistance to Canadian students. Applicants in participating jurisdictions are assessed for both federal and provincial loans and grants through a single application process. For students in full-time study, approximately 60% of their assessed financial need is funded by the Government of Canada, while the province or territory typically covers the remaining 40%.

As a result of integration agreements negotiated between the Government of Canada and various provinces, the borrowing experience for students has been significantly streamlined and simplified. Students in integrated provinces (British Columbia, Saskatchewan, Ontario, New Brunswick and Newfoundland and Labrador) benefit from having a single, integrated loan product, and are not required to manage two separate (federal and provincial) loans.

Students in these five integrated provinces comprise more than 80% of Canada Student Loan borrowers. Both federal and provincial portions of their loans are administered under one account, with the National Student Loans Service Centre as their one point of contact.

Quebec, Nunavut and the Northwest Territories do not participate in the CSLP but receive alternative payments from the Government of Canada to operate their own student financial assistance programs.

Service delivery

The CSLP is dedicated to continuously streamlining and modernizing the Program, as well as improving services for students. In collaboration with provincial and territorial partners, the CSLP is working to implement a service delivery vision aimed at providing students with simple, easy-to-manage access to financial assistance. Measures include improved online services, simplified application and repayment processes, and improved communication with students.

The CSLP recognizes the importance of informing Canadians in the pursuit of higher education about the availability, benefits and requirements of student financial assistance. The Program acts to guide students and their families in how to plan and pay for post-secondary education by undertaking outreach activities mainly through web-based communications and publishing reference materials. A key objective of the CSLP is improving awareness of programs for students who have traditionally faced barriers in accessing post-secondary education.

Information about the CSLP is available on the Government of Canada website, including information to help Canadians save, plan and pay for their post-secondary education. The tool includes step-by-step application instructions, financial assistance estimators and databases on academic programs and scholarships. Almost 6 million users visited the Government of Canada website in 2014–2015 for information on post-secondary education and learning resources in Canada.

The Government of Canada website also links directly to the NSLSC and CALSC websites, which enable borrowers to conveniently and securely access their loan accounts. The NSLSC and CALSC websites allow borrowers to view the details of their account, receive communications concerning their account, submit confirmation of enrollment requests, customize their repayment and apply for repayment assistance.
In 2014–2015, more than half a million full- and part-time post-secondary students received support from the Government of Canada in the form of a loan or grant under the Canada Student Loans Program. This includes nearly 366,000 students who were awarded non-repayable grants.

Included in this section is key data about the level and type of financial assistance provided to Canadian students in 2014–2015, as well as information about loan recipients entering repayment following completion of studies.

A. Canada Student Grants

Canada Student Grants are designed so that students know up front how much money they will receive. Grants are targeted towards students from low-income and middle-income families, with eligibility based upon family income and financial circumstances. Income level thresholds are adjusted annually to reflect cost of living in each jurisdiction and family size. Eligibility is assessed at the time the student applies for student loans.

Canada Student Grants are awarded as follows:

- students from low-income families: $250 per month of study;
- students from middle-income families: $100 per month of study; and
- low-income students with dependants: $200 per month of study for each dependant under 12 years of age (or for each dependant over 12 years of age if they have a permanent disability).

Canada Student Grants are also available for students with permanent disabilities. These students are entitled to a grant of $2,000 per academic year. Additional funding up to $8,000 is available for those who require special services or equipment. Students receive consideration for these grants upon providing documentation relating to their disabilities when applying for a Canada Student Loan.
In 2014–2015, more than 426,000 Canada Student Grants were provided to almost 366,000 students (some students receive more than one type of grant). This represents a 0.5% decrease from the number of students who received grants in 2013–2014.

The following table summarizes the distribution of each type of grant provided in 2014–2015.

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Value of</td>
</tr>
<tr>
<td></td>
<td>of grants</td>
<td>grants</td>
</tr>
<tr>
<td></td>
<td></td>
<td>($ million)</td>
</tr>
<tr>
<td><strong>Full-time studies</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Students from low-income families</td>
<td>238,513</td>
<td>$455.0</td>
</tr>
<tr>
<td>Students from middle-income families</td>
<td>95,493</td>
<td>$72.3</td>
</tr>
<tr>
<td>Full-time students with dependants</td>
<td>38,317</td>
<td>$93.4</td>
</tr>
<tr>
<td>Students with permanent disabilities</td>
<td>29,222</td>
<td>$55.3</td>
</tr>
<tr>
<td>Students with permanent disabilities – equipment and services</td>
<td>8,622</td>
<td>$21.9</td>
</tr>
<tr>
<td><strong>Total full-time grants</strong></td>
<td>410,184</td>
<td>$698.0</td>
</tr>
<tr>
<td><strong>Part-time studies</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Part-time students</td>
<td>14,937</td>
<td>$16.6</td>
</tr>
<tr>
<td>Part-time students with dependants</td>
<td>739</td>
<td>$0.7</td>
</tr>
<tr>
<td><strong>Total part-time grants</strong></td>
<td>15,676</td>
<td>$17.3</td>
</tr>
<tr>
<td><strong>Total number of grants</strong></td>
<td>425,860</td>
<td>$715.3</td>
</tr>
<tr>
<td><strong>Total unique grant recipients</strong></td>
<td>367,603</td>
<td>$715.3</td>
</tr>
</tbody>
</table>
### Grants for full-time students by province and territory

The diagram below illustrates the distribution of Canada Student Grants for full-time students by province and territory in 2014–2015.

<table>
<thead>
<tr>
<th>Province</th>
<th>Number</th>
<th>Value ($ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Canada</strong></td>
<td>410,071</td>
<td>699.6</td>
</tr>
<tr>
<td>British Columbia</td>
<td>49,911</td>
<td>85.9</td>
</tr>
<tr>
<td>Alberta</td>
<td>42,133</td>
<td>75.0</td>
</tr>
<tr>
<td>Saskatchewan</td>
<td>10,075</td>
<td>19.0</td>
</tr>
<tr>
<td>Manitoba</td>
<td>8,880</td>
<td>16.4</td>
</tr>
<tr>
<td>Ontario</td>
<td>270,933</td>
<td>453.7</td>
</tr>
<tr>
<td>New Brunswick</td>
<td>8,605</td>
<td>15.1</td>
</tr>
<tr>
<td>Newfoundland and Labrador</td>
<td>4,150</td>
<td>7.3</td>
</tr>
<tr>
<td>Prince Edward Island</td>
<td>2,198</td>
<td>3.9</td>
</tr>
<tr>
<td>Nova Scotia</td>
<td>13,043</td>
<td>23.0</td>
</tr>
<tr>
<td>Yukon</td>
<td>143</td>
<td>0.3</td>
</tr>
</tbody>
</table>

* Quebec, Nunavut and the Northwest Territories do not participate in the CSLP but receive alternative payments from the Government of Canada to operate their own student financial assistance programs.

** The number of grants in each jurisdiction includes all types of grants offered through the CSLP, except for the Millennium Excellence Awards for which provincial/territorial breakdown is unavailable. The total number of grants is greater than the total number of grant recipients because some students received more than one type of grant. Due to rounding the provincial totals do not equal the Canadian total.
B. Canada Student Loans

Canada Student Loans are available to Canadian students enrolled in degree, diploma or certificate programs at designated post-secondary educational institutions in Canada and abroad. To be eligible, a student must demonstrate financial need and reside in a province or territory that participates in the CSLP. Canada Student Loan recipients are provided with interest subsidies, whereby the Government of Canada pays the interest on their loans while they are enrolled in school. Repayment begins six months after end of studies.

Demographic overview

In 2014–2015, the CSLP provided more than $2.7 billion in loans to approximately 489,000 full-time post-secondary students, representing a 0.5% decrease from the number of borrowers in 2013–2014.

The demographic profile of Canada Student Loan recipients remained consistent with that of previous years. In 2014–2015:

- The majority (55%) of full-time students with loans were 21 years of age or younger; 34% were between 22 and 29 years of age; and 11% of full-time borrowers were 30 years or older.
- Eighty-nine percent of the full-time students with Canada Student Loans were single.
- Female students comprised 59% of loan recipients and male students 41%.
- Two-thirds of full-time students with Canada Student Loans (66%) were residents of Ontario. Students from British Columbia (12%) and Alberta (10%) comprised the next two highest proportions of loan recipients. The remaining 12% were from the other seven participating jurisdictions.

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Number of borrowers</td>
<td>Total value of loans</td>
<td>Average</td>
</tr>
<tr>
<td>(full-time students)</td>
<td>($ millions)</td>
<td>Canada Student Loan</td>
</tr>
<tr>
<td>Newfoundland and Labrador</td>
<td>6,081</td>
<td>$29.0</td>
</tr>
<tr>
<td>Prince Edward Island</td>
<td>3,115</td>
<td>$20.3</td>
</tr>
<tr>
<td>Nova Scotia</td>
<td>16,637</td>
<td>$116.7</td>
</tr>
<tr>
<td>New Brunswick</td>
<td>12,859</td>
<td>$70.4</td>
</tr>
<tr>
<td>Ontario</td>
<td>323,200</td>
<td>$1,735.3</td>
</tr>
<tr>
<td>Manitoba</td>
<td>9,829</td>
<td>$47.3</td>
</tr>
<tr>
<td>Saskatchewan</td>
<td>11,202</td>
<td>$66.1</td>
</tr>
<tr>
<td>Alberta</td>
<td>49,309</td>
<td>$274.1</td>
</tr>
<tr>
<td>British Columbia</td>
<td>59,058</td>
<td>$340.5</td>
</tr>
<tr>
<td>Yukon</td>
<td>154</td>
<td>$0.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>491,444</td>
<td><strong>$2,700.7</strong></td>
</tr>
</tbody>
</table>
As noted in Table 2, in 2014–2015 the number of full-time Canada Student Loan borrowers decreased by about 2,700 (or 0.5%) from the previous year. With the exception of Alberta, most jurisdictions experienced a small decrease in the number of borrowers.

The average Canada Student Loan was $5,529, which is slightly higher than the amount from the previous year — $5,495 in 2013–2014.

The average loan amount for full-time students 30 years of age or older was $6,799, whereas the average loan amount for students under 21 was $5,033. There were negligible differences in average loan amounts between male and female students.

The loan amounts in Table 2 are for one academic year (2014–2015) and do not include the amount of provincial or territorial loans a student may have received in 2014–2015 or loans that may have been received in previous years. Section C of this report provides information on overall Canada Student Loan indebtedness for students at the time of completion of studies in 2014–2015.

Where do borrowers go to school?

In 2014–2015, the vast majority of student loan recipients, almost 91%, remained in their home province or territory to pursue their post-secondary education. Approximately 9% of recipients either studied outside their home province or territory or went abroad.

Student borrowers from large provinces were less likely to study outside their home province; for example, just under 5% of Canada Student Loan recipients from Ontario studied outside their province. Conversely, students from smaller jurisdictions were more likely to use their Canada Student Loan at an institution outside their home province: 81% of student borrowers from Yukon and 43% of student borrowers from Prince Edward Island studied outside their home jurisdictions in 2014–2015.

Borrowers in Atlantic Canada who left their home province to study tended to remain within Atlantic Canada, while those in western Canada tended to either stay in their region or attend post-secondary institutions in Ontario.

Almost 11,600 Canada Student Loan recipients, accounting for approximately 2% of the total number of borrowers, studied outside of Canada in 2014–2015. Half of these students undertook study programs in the United States, and the other half were enrolled in schools located in other regions of the world.

What types of institutions do borrowers attend?

In 2014–2015:

- 59% of full-time student borrowers attended university;
- 32% attended college; and
- 9% attended a private institution.

These numbers remained virtually unchanged from 2013–2014.

The average loan amount disbursed in 2014–2015 continued to be highest among borrowers attending a private institution ($7,557) and lowest among college attendees ($4,763).

The following graph illustrates a breakdown of loans provided for full-time study at universities, colleges and private schools for 2014–2015, as well as for the two previous years.
What study level are borrowers enrolled in?

In 2014–2015, most full-time student borrowers (59%) were enrolled in undergraduate programs, while 36% were enrolled in non-degree programs and 5% were masters or doctoral students. These proportions are similar to those from 2014–2015.

Average loan amounts were higher for full-time students in programs at the master's level ($7,378) or doctorate level ($8,019), as compared to those at the undergraduate level ($5,483) or in non-degree programs ($5,358).

Support for part-time studies

The vast majority of borrowers under the Canada Student Loans Program are full-time students, as evidenced by the amount of loans for full-time students ($2.7 billion) as compared to part-time students ($20.9 million).

Program changes in recent years have broadened access to financial assistance for those studying on a part-time basis, including adults retraining to upgrade their skills and better position themselves for the job market. Specifically, the Government increased the income thresholds used to assess the eligibility of part-time students for financial assistance and also eliminated the interest on loans while in-study. Furthermore, part-time students can now borrow up to a maximum of $10,000.

In 2014–2015, $20.9 million in Canada Student Loans for part-time study was provided to 12,100 students. This represents an increase of 7.4% in the number of part-time students who received support, as compared to the previous year.

The majority of part-time students (67%) with loans in 2014–2015 were 25 years of age or younger. Thirty-three percent were older than 25, in comparison to full-time borrowers, of whom only 19% were older than 25.
The average amount of loan given to part-time students in 2014–2015 was $1,728. The average loan is significantly higher for part-time students attending private institutions ($5,334) than those attending universities ($1,588) or colleges ($1,607).

The following table illustrates the increase in uptake of student loans for part-time studies over the past three years:

<table>
<thead>
<tr>
<th>Loan year</th>
<th>Number of borrowers</th>
<th>Value of loans ($ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012–2013</td>
<td>9,601</td>
<td>$16.6</td>
</tr>
<tr>
<td>2013–2014</td>
<td>11,254</td>
<td>$19.9</td>
</tr>
<tr>
<td>2014–2015</td>
<td>12,086</td>
<td>$20.9</td>
</tr>
</tbody>
</table>

C. Loan repayment and repayment assistance

Canada Student Loans, like any loan, must be repaid by the borrower. However, unlike traditional bank loans, interest only begins to accumulate on a Canada Student Loan after completion of studies, and no payments are required in the first six months.

Loans are typically scheduled to be repaid through monthly payments over a 114-month (9.5-year) period. Depending on their financial situation and income level, borrowers may revise their repayment terms to either pay more quickly or extend the payment period (up to a maximum of 14.5 years).

The average Canada Student Loan debt has remained relatively stable over the past number of years. For students leaving school in 2014–2015, the average Canada Student Loan balance was $12,783, a slight increase from the previous year ($12,480). This loan balance reflects only the federal portion of a student loan. Borrowers may also have student loans from a province or territory, as well as from private sources.

In 2014–2015, slightly more than half of CSL borrowers (52%) had a balance of less than $10,000, and 21% of CSL borrowers had a balance greater than $20,000.

Differences in loan balances are reflective of each student’s particular situation. Among the key factors are the type and location of institution as well as the program of study. In 2014–2015, the average loan balance of university students ($15,989) was higher than that of college students ($9,794) and of those at private institutions ($11,082). This difference is partly because university programs generally tend to take longer to complete.

Although full-time borrowers attending private educational institutions on average receive more in loans per academic year ($7,557 in 2014–2015) than their university and college counterparts ($5,631 and $4,763 respectively), they typically accumulate less overall debt because their programs of study are generally shorter.

Canada Student Loan balances also differ by the students’ province or territory of residence, ranging from an average of $9,263 (Manitoba) to $16,741 (Prince Edward Island). For students pursuing their post-secondary education outside their province, higher travel and living costs are reflected in higher borrowing amounts.

Repayment Assistance Plan

Borrowers who are having difficulty making their monthly Canada Student Loan payments can apply for help through the Repayment Assistance Plan (RAP). Depending on their financial situation—such as their income and family size—borrowers may be approved for a reduced monthly payment or not have to make any monthly payments for the duration of their six-month RAP term. In the event that repayment assistance is required, borrowers can continue to apply for RAP in six-month increments.
RAP is provided in two stages, which are seamless to the borrower. Under Stage 1, the Government covers the outstanding interest not met by the borrower’s reduced payment. Borrowers that have received 60 months of RAP, or have been out of school for more than 10 years, will begin to receive Stage 2 assistance, whereby the Government covers both the principal and interest not met by the borrower’s reduced payment. This ensures that the balance of the loan is gradually paid off and that borrowers on RAP long-term do not have to take longer than 15 years (or 10 years for persons with permanent disabilities) to repay their loan.

There is also a Repayment Assistance Plan for borrowers with permanent disabilities (RAP-PD). Like RAP, RAP-PD is also designed to assist borrowers experiencing difficulty meeting their repayment obligations. For those approved for RAP-PD, the Government will cover the principal and interest not covered by the borrower’s monthly RAP payments. This ensures that a borrower on RAP-PD long-term does not have remaining student loan debt after a period of 10 years. In addition, RAP-PD allows borrowers to claim disability-related expenses, which are taken into consideration when the RAP-PD application is assessed.

**Diagram 2**

**CSLP borrowers receiving repayment assistance by province and territory**

*Cells suppressed due to confidentiality*
As indicated in Diagram 2, over 256,000 borrowers received assistance under RAP in 2014–2015, an increase of 9.6% from the number who benefitted from RAP in the previous year. The vast majority (85%) of borrowers accessing RAP in 2014–2015 were approved under Stage 1, whereby they received Government support for the interest portion of their loan payment(s).

**Canada Apprentice Loans**

Apprentices in skilled trades do most of their learning, up to 85%, during on-the-job paid employment. However, they are also required to participate in technical training for short periods of time, generally ranging from six to eight weeks each year. Apprentices can face significant costs to complete these periods of technical training required by their program, including educational fees, tools and equipment, living expenses and forgone wages. These costs can be particularly acute for apprentices who intend to complete their training after a number of years on the job, while supporting their families.

The Canada Apprentice Loan (CAL) program offers interest-free loans to help registered apprentices in Red Seal trades with the cost of their training. Apprentices registered in a Red Seal trade apprenticeship program are now able to apply for loans of up to $4,000 per period of technical training, for a maximum of five technical training periods.

The CAL program began on January 2, 2015, and operates as a stand-alone program administered by the CSLP. As with the CSLP, the NSLSC is the main point of contact for applicants.

A total of $32.3 million was disbursed during the first seven months of the CAL program. Approximately 80% of loans disbursed went to apprentices from three provinces: Alberta (44%), British Columbia (21%) and Ontario (15%). The remaining 20% was divided between the other six provinces and three territories participating in the program (Quebec does not participate). As of the end of July 2015, close to 14,000 online accounts had been created and over 11,500 applications had been received, 98% of which were handled electronically.

**Severe Permanent Disability Benefit**

In very particular cases, some borrowers with a severe permanent disability may be eligible for loan forgiveness. The Severe Permanent Disability Benefit makes it possible to cancel the repayment obligations of borrowers who have a severe permanent disability and are unable to meet their repayment obligations. A medical assessment must be completed by a physician or nurse practitioner stating that the severe disability permanently prevents a borrower from performing the daily activities necessary to participate in studies at a post-secondary school level and in the labour force, and that the disability is expected to continue throughout the borrowers’ life.
In 2014–2015, $8 million in Canada Student Loans were forgiven under this measure for approximately 550 individuals, with an average loan value of approximately $14,691 per borrower.

Loan forgiveness for family doctors and nurses

Under an initiative implemented in 2013, the Government of Canada offers Canada Student Loan forgiveness to eligible family doctors, residents in family medicine, nurse practitioners and nurses who work in rural or remote communities. This benefit is aimed at helping more Canadians access the health care they need.

Family doctors or residents in family medicine may receive up to $40,000 in Canada Student Loan forgiveness over a maximum of five years ($8,000 per year), and nurses or nurse practitioners may receive up to $20,000 in loan forgiveness over a maximum of five years ($4,000 per year).

For 2014–2015, nearly 3,000 applications were approved, enabling health professionals working in various rural and remote regions to reduce amounts owing on their Canada Student Loans by an average of $4,268. The highest uptake for this benefit was among registered nurses.

D. Communications and program delivery

Modernizing service delivery

Canadians’ expectations for efficient and effective service delivery are on the rise. The CSLP has been working to streamline and modernize the delivery of student financial assistance. In collaboration with provincial/territorial partners, a service delivery vision has been developed which is aimed at providing student borrowers with simple, easy-to-manage access to student financial assistance.

The modernization initiative aims to significantly enhance the loan experience for student borrowers by:

- providing more timely disbursements of financial assistance to students;
- reducing the paper-based administrative burden for students;
- increasing the readability and understanding of the rights and obligations of student borrowers; and
- producing greater efficiencies within the student financial assistance delivery system.

Work is underway to establish new authorities for e-delivery that will be incorporated into future delivery of student loans.
The CSLP is a statutory program that provides loans, grants and repayment assistance to all post-secondary students who meet eligibility criteria. The CSLP is responsible for ensuring that financial support effectively assists Canadian students, and that taxpayers’ investment in the Program is properly managed. As such, the Program regularly measures and reports on:

- client satisfaction;
- awareness of student financial assistance;
- portfolio performance; and
- program evaluation.

Client satisfaction

- The CSLP is committed to ensuring that clients receive quality service. A Client Satisfaction Survey is used to assess clients’ satisfaction with the services related to their Canada Student Loans and Grants, including services provided by the CSLP directly, and those provided by the NSLSC.

- In 2014–2015, 84% of clients said they were satisfied with the overall quality of service with regard to their Canada Student Loan and/or Grant. Satisfaction levels have remained high over the past number of years.

- Nearly four in five (81%) clients were satisfied with the quality of service provided by the NSLSC in the past year.
Awareness of student financial assistance
The CSLP also strives to ensure that borrowers are aware of the details of their loans and the specific options available to them. Eighty-five percent of clients surveyed indicated their loan repayment options were clear when they began repayment.

Portfolio performance
The CSLP actively manages the Canada Student Loans portfolio to ensure the health of the portfolio and minimize the value of loans going into default. Although the vast majority of students repay their loans in full and on time, some borrowers experience difficulty in repayment. A loan is deemed in default when in arrears for greater than 270 days (roughly equivalent to missing nine monthly payments). The CSLP uses a three-year cohort default rate as a main indicator of the performance of the Canada Student Loan portfolio. This rate compares the value of the loans that enter repayment in a given loan year (cohort), and default within three years, to the value of all the loans that entered repayment in that cohort.

As noted in Table 4, the default rate has decreased significantly over the last few years. The introduction of both non-repayable grants and the Repayment Assistance Plan (RAP) have helped greater numbers of students manage their repayment obligations, leading to a lower default rate.

Program integrity
The CSLP strives to safeguard the integrity of the Program and protect the investments made by borrowers in their post-secondary education. Safeguarding integrity means ensuring that all aspects of the Program are operating within the legal framework of the Canada Student Financial Assistance Act, the Canada Student Loans Act and the Apprentice Loans Act.

The CSLP has in place a number of policies and activities designed to ensure the Program’s integrity and to enhance governance and accountability:

- Administrative measures may be taken when individuals knowingly misrepresent themselves to obtain student financial assistance; including being restricted from receiving student financial assistance for a specified period, being required to immediately repay any money obtained as a result of false information and having their grants converted to repayable loans. If warranted, further action may be taken such as criminal investigation or civil litigation.

- In keeping with provisions of the Canada Student Financial Assistance Act, the Office of the Chief Actuary conducts a statutory actuarial review of the CSLP at least once every three years in order to provide a long-term forecast of the CSLP portfolio and program costs. The most recent Actuarial Report (2014) is available on the website of the Office of the Superintendent of Financial Institutions.

| TABLE 4 | Canada Student Loan three-year cohort default rates |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 17%             | 16%             | 15%             | 14%             | 15%             | 14%             | 13%             | 12%             | 11%             |
The Designation Policy Framework establishes pan-Canadian criteria for designation – the process whereby post-secondary educational institutions are deemed eligible for student financial assistance programs (i.e. students can apply for student financial assistance if they are attending a designated school). The Framework ensures that federal and provincial and territorial student financial assistance portfolios operate within the principles and practices of reasonable financial stewardship. As a part of this Framework, the CSLP calculates and tracks the repayment rates of Canada Student Loans across Canada. In 2014, the rate was 88%, which is a full point higher than the previous year and the highest it has been over the past 11 years.

Program evaluation

As a standard practice, evaluations are conducted periodically; some samples are below. A summative evaluation of the CSLP, designed by ESDC’s Evaluation Directorate in consultation with the Program, took place from 2006 to 2010 and covered loan years 2000–2001 to 2007–2008. The evaluation found the CSLP to be achieving desired Program results and included minor recommendations for improvement.

A summative evaluation of the Budget 2008 CSLP enhancements began in 2010. A topical evaluation report on the implementation status of the enhancements was completed in 2014 and published on the ESDC website. The evaluation found that the Budget 2008 implementation plan was implemented exactly as planned.

ESDC is committed to ensuring that the CSLP is fully responsive to the needs of Canada’s post-secondary students, and it continues to explore ways to improve and enhance the design and delivery of the Program in collaboration with partners and stakeholders. The findings and recommendations of these evaluations inform and support that work.
Support for apprentices

The Canada Apprentice Loan (CAL) program was launched in January 2015 to provide additional financial support to apprentices registered in trades designated under the Red Seal Program during periods of block release technical training. CAL is designed to help these apprentices complete their apprenticeship training program, and to encourage more Canadians to consider a career in the skilled trades.

Given the timing of technical training requirements in their province, apprentices in Quebec do not qualify for CAL. The Province of Quebec is compensated with an annual special payment.

CAL complements other Government of Canada supports to assist apprentices in completing their apprenticeship training, including the Tradesperson’s Tools Deduction, the Tuition Tax Credit and Employment Insurance, which is available to eligible apprentices while attending block release technical training. In addition, the Government of Canada provides the Apprenticeship Incentive Grant and Apprenticeship Completion Grant to apprentices registered in trades designated under the Red Seal Program.

In the 2014–2015 loan year, approximately $32.3 million in Canada Apprentice Loans were disbursed to 8,100 apprentices.

Government funding

Although the CSLP is the largest program offering student financial assistance to Canadians, other funding sources exist at the federal, provincial and territorial levels.

Measures offered by Employment and Social Development Canada include the following:

- The Canada Education Savings Grant encourages Canadians to save for their children’s post-secondary education by awarding grants to beneficiaries of Registered Education Savings Plans (RESPs).
- The Canada Learning Bond provides a grant to low-income families to begin an RESP and encourages parents to save for their children’s post-secondary education.
- Individuals who receive Employment Insurance benefits can be eligible for courses, training programs or other support to make it easier for them to return to the labour market, while still receiving income support during that period. This service is either co-managed with the provinces and territories, or provided by the provinces and territories through federal transfer payments.
- Provinces and territories may choose not to participate in the CSLP. These provinces and territories receive an alternative payment to assist in the cost of delivering a similar student financial assistance program.

Other federal programs and initiatives related to post-secondary education include the following:

- The Canada Social Transfer is a federal transfer of funds to provinces and territories in support of post-secondary education, social assistance and social services.

APPENDIX A – Other government funding
Indigenous and Northern Affairs Canada assists First Nations and Inuit students with the costs of tuition, books and travel, and provides living allowances through the Post-Secondary Student Support Program. As well, the University College Entrance Preparation Program provides financial assistance to First Nations and eligible Inuit students enrolled in university or college entrance programs. The purpose of the Program is to help them obtain the grades they require to enter a degree or diploma program. Post-secondary institutions also receive support through the Post-Secondary Partnerships Program to develop and deliver special programs for First Nations and Inuit people.

Tax relief is available to all individuals with federal and provincial or territorial loans through a federal tax credit on the annual interest paid on their student loans.

The tuition tax credit provides tax relief for students’ expenditures toward tuition fees.

The education tax credit provides up to $400 per month for full-time students and $120 per month for part-time students to help offset education expenses.¹

The textbook tax credit recognizes the rising cost of educational materials. This credit is $65 per month for full-time post-secondary students and $20 per month for part-time students.¹

The Official Languages Support Program helps provinces and territories fund minority-language education and second-language instruction.

Industry Canada offers scholarships and fellowships under the Natural Sciences and Engineering Research Council of Canada and the Social Sciences and Humanities Research Council of Canada.

Provincial/territorial and other funding include the following:

- Provincial and territorial governments offer loans, grants, scholarships, tax credits and repayment assistance measures.
- Students may also apply for scholarships and bursaries from their educational institutions, financial institutions and community groups.

¹ Budget 2016 announced the termination of the education and textbook tax credits. These credits will end on January 1, 2017. However, unused tax credit amounts from years prior to 2017 can be carried forward to be claimed in future years.
All data in this section represent the fiscal year April 1, 2014, to March 31, 2015.

Consolidated report on the Canada Student Loans Program

In August 2000, the CSLP was shifted from the risk-shared financing arrangements in place with financial institutions between 1995 and July 2000 to a direct student loan financing plan. The Government of Canada provides the necessary funding to students, and a private-sector service provider administers the loans.

Reporting entity

The entity detailed in this report is the CSLP only and does not include departmental operations related to the delivery of the CSLP. Expenditure figures are primarily statutory in nature, made under the authority of the Canada Student Loans Act and the Canada Student Financial Assistance Act.

Basis of accounting

The financial figures are prepared in accordance with generally accepted accounting principles and as reflected in the Public Sector Accounting Handbook of the Canadian Institute of Chartered Accountants.
# Consolidated Canada Student Loans Programs – Combined Programs

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<td><strong>Revenues</strong></td>
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<td>Interest Revenue on Direct Loans</td>
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<td>Recoveries on Guaranteed Loans</td>
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<td><strong>Total Loan Revenue</strong></td>
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<td><strong>Transfer payment</strong></td>
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<td>Collection Costs (All regimes)</td>
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<td>Program Delivery Costs (DL)</td>
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<td><strong>126.1</strong></td>
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<td><strong>Cost of Government Support Benefits to Students</strong></td>
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<td>In-Study Interest Borrowing Expense (Class A – DL)</td>
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<td><strong>Total Cost of Government Support Benefits to Students</strong></td>
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<td><strong>Bad Debt Expense</strong></td>
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<td>Debt Reduction in Repayment Expense (DL)</td>
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<td><strong>1,623.5</strong></td>
<td><strong>1,113.2</strong></td>
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(DL) = Direct Loans  
(RS) = Risk-Shared Loans  
(GL) = Guaranteed Loans
See Government of Canada website for a more thorough glossary of terms related to the CSLP and student financial assistance.

**Canada Apprentice Loans**
In January 2015, the Government launched the Canada Apprentice Loan program. Borrowers can apply for up to $4,000 in interest-free loans per period of technical training, for up to five technical training periods. Loans are available to help pay for tuition, tools, equipment and living expenses, to cover forgone wages or to help support family during training.

**Canada Student Grants**
On August 1, 2009, Canada Student Grants replaced the existing Canada Access Grants, Canada Study Grants and grants offered by the Canada Millennium Scholarship Foundation. Grants are available for:

- **Students from low-income families**: $250 per month, to a maximum of $3,000 per year for full-time students in a multi-year program;
- **Students from middle-income families**: $100 per month, to a maximum of $1,200 per year for full-time students in a multi-year program;
- **Students with dependants**: For full-time students, $200 per month of study, per child under 12 years of age, or a dependant with a permanent disability who is 12 or over. For part-time students with up to two children under 12 years of age, $40 per week of study. For part-time students with three or more children under 12 years of age, $60 per week of study;
- **Part-time studies**: For students from low-income families, up to $1,200 per year, depending on assessed need;
- **Students with permanent disabilities**: $2,000 per year for full-time or part-time students with permanent disabilities; and
- **Services and equipment for students with permanent disabilities**: Up to $8,000 per year to cover exceptional education-related costs such as tutors, note-takers, sign interpreters, braille or technical aids.

**Consolidation**
Borrowers consolidate their student loan(s) six months after completing their post-secondary studies (or ending full-time studies). Repayment begins once they have consolidated their loans.

**Default**
A Canada Student Loan, issued under the direct loans regime, enters into default once a borrower has missed payments for 270 days. Loans issued under the guaranteed and risk-shared loan regimes enter into default when payments are in arrears for 90 days or more.

**Default rate**
The CSLP measures default using a three-year cohort default rate. This rate shows the proportion of loan dollars that enter repayment in a given loan year (cohort) and default within three years. For example, the 2012–2013 default rate represents the proportion of loan dollars that entered repayment in 2012–2013 and defaulted before August 1, 2015.
| **Designated** | A designated post-secondary educational institution meets provincial and federal eligibility criteria, and students attending these schools can apply for government-sponsored student financial assistance, such as Canada Student Loans. |
| **Direct loans** | As of August 2000, the federal government issues Canada Student Loans under the direct loans regime. Loans are directly financed by the Government and a third-party service provider administers the loan process. |
| **Full-time** | A full-time student is a student enrolled in at least 60% of a full course load (or 40% for students with permanent disabilities) in a program of study of at least 12 consecutive weeks at a designated post-secondary educational institution. |
| **Guaranteed loans** | Between 1964 and 1995, Canada Student Loans were provided by financial institutions (such as banks) under the guaranteed loans regime. If a student defaulted on a guaranteed loan, the Government paid out the bank and the student’s debt was then owed directly to the Government. |
| **Integrated province** | In integrated provinces, federal and provincial loans are combined so borrowers receive and repay one federal-provincial integrated loan. The federal and provincial governments work together to make applying for, managing and repaying loans easier. The CSLP has integration agreements with five provinces: Ontario, New Brunswick, Newfoundland and Labrador, Saskatchewan and British Columbia. |
| **In-study** | The status of borrowers attending full-time or part-time studies at a post-secondary institution, or who have finished school less than six months ago. |
| **In-study interest subsidy** | The Government of Canada covers the interest on Canada Student Loans while borrowers are in school (i.e. borrowers who have in-study status). |
| **Loan year** | August 1 to July 31. |
| **National Student Loans Service Centre (NSLSC)** | The NSLSC is the main point of contact for borrowers in managing their loans, from loan disbursement to repayment and repayment assistance. The NSLSC is a third-party service provider that manages all Canada Student Loans and Canada Apprentice Loans issued on or after August 1, 2000, as well as integrated student loans for:  
  - New Brunswick and Newfoundland and Labrador issued on or after August 1, 2000;  
  - Ontario and Saskatchewan issued on or after August 1, 2001; and  
  - British Columbia issued on or after August 1, 2011. |
| **Part-time** | A part-time student is a student taking between 20% and 59% of a full course load. Students with permanent disabilities may be accorded part-time status if they are taking between 20% and 39% of a full course load (and if they are taking between 40% and 59% of a full course load they can elect to be considered either as a full-time or part-time student for the purpose of the CSLP). |
| **Participating provinces/territories** | The provinces and territories that choose to deliver financial assistance to students within the framework of the CSLP include Newfoundland and Labrador, Prince Edward Island, Nova Scotia, New Brunswick, Ontario, Manitoba, Saskatchewan, Alberta, British Columbia and Yukon. |
| **Province/territory of residence** | A student’s province or territory of residence is the province or territory where they have most recently lived for at least 12 consecutive months (not including time spent in a province or territory as a full-time student at a post-secondary institution). For example, an individual from Manitoba studying in Ontario would be considered a Manitoba student. |
| **Post-secondary education** | Levels of education following secondary school (high school) at all designated public or private post-secondary institutions. |
| **Repayment** | The status of borrowers who have begun repaying their Canada Student Loans. Repayment begins six months following the end of studies. |
| **Repayment Assistance Plan** | On August 1, 2009, the Repayment Assistance Plan (RAP) replaced the CSLP’s previous debt management programs (Interest Relief and Debt Reduction in Repayment). RAP is a temporary repayment assistance measure where a borrower repays an affordable monthly amount (or none) based on family income, family size and outstanding loan balance. RAP ensures that the repayment period will not exceed 15 years (or 10 years for a borrower with a permanent disability). Under RAP, eligible borrowers receive assistance for periods of six months and can reapply as long as they remain eligible. |
| **Repayment rate** | The repayment rate is the percentage of the total principal amount of Canada Student Loans consolidated in a given loan year that is repaid or in good standing at the end of the subsequent loan year. |
| **Revision of terms** | A means of allowing borrowers to manage their loan repayment in a way that is responsive to their situation. It can be used to decrease monthly payments (extending the loan term to a maximum of 14.5 years), or to increase loan payments allowing the borrower to pay off the loan sooner. |
| **Risk-shared loans** | Between 1995 and 2000, Canada Student Loans were provided by financial institutions (such as banks) under the risk-shared loans regime. Under this regime, financial institutions assumed responsibility for a portion of the possible risk of defaulted loans in return for a payment from the Government. |
Severe Permanent Disability Benefit

In certain cases, some borrowers may be eligible for loan cancellation. The Severe Permanent Disability Benefit makes it possible to cancel the repayment obligations of borrowers whose permanent disability prevents them from studying at a post-secondary level and taking part in the labour force and is expected to remain with them for life.