

Episode 1: Kickstarting your Student Debt Repayment

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Mentioned:

- There are 5 podcasts, which focus primarily on student debt repayment and debt rehabilitation.

An interview with a York University Student

- A short interview asks a student how they feel about their OSAP debt.

Introduction:

- National Student Loans Service Centre (NSLSC), is where students can go to manage their student loan
- On average, students paid approximately \$6,838 for tuition for a year (in 2019/2020).

Topic 1: What is Debt Repayment?

- Students are expected to start repaying their OSAP debt after they graduate or if they stop studying (for a period of 6 months or more). (See OSAP Fact Sheet #4)

INFORMATION NOTE: A student loan in Ontario is often a combination of 2 loans: a Canada Student Loan (federal) and an Ontario Student Loan (provincial).

Topic 2: Grace Period

- The government is ending the 6-month grace period.
- *Described the term “grace period” as “tricky”. Explanation:
 - In the first 6 months of no enrolment, students do not need to make loan payments, but interest is charged on both the federal and provincial portion of the loans.
 - In the past, interest was charged on only the federal portion of the loan, but the policy was recently changed.

Back to Topic 1:

- Students have the option of paying the loan all at once.
- Loan repayment can start before graduation.
- Once a student graduates or stops out, the NSLSC sends the student a package that will describe:
 - How much they owe
 - Expected monthly payment

- Date of first payment
- Interest rate

Topic 3: Interest rate

- Typically, the interest rate charged on the Ontario loan will be the prime rate + 1%.
- For the Canada loan, it is the prime rate + 2.5%.
- If the interest rate changes, the student's monthly payment stays the same. However, the amount applied to their loan balance (the principal) will change.
- Students do not have to pay back:
 - Scholarships
 - Grants
 - Bursaries

Topic 4: Debt Repayment after Grace Period

- Students can extend their grace period by 6 months, if:
 - they are starting business, or
 - they are working at a non-profit company
- Once the grace period ends:
 - All payments will be made to the NSLSC.
 - All payments will be monthly payments.
 - The students can shorten the amount of time required to pay back their loan, by paying more each month than what was scheduled, or, by making more payments per month. It is up to the students to decide.
 - Typically, payments are made by adding the MSLSC as a payee and making the payments through online banking. The students can send NSLSC cheques as well.
 - Using a debt repayment calculator can help the students define what is the most efficient way of paying back their OSAP loan.

Mention: How to change your financial information

- When you need to discuss/change/update any financial information regarding your debt, you should email the NSLSC or call them at their toll-free number.
- Talking to a representative is the first step in managing your debt.

Topic 5: Repayment Assistance Program (RAP)

- This program is available to those who have:
 - a low monthly income
 - family financial responsibility
 - or both
- RAP is designed to help the students pay back their loan within 15 years instead of the usual 9.5 years.
- Extending the repayment period will lower the students' monthly payments but increase the interest paid on the loan as well.
- RAP needs to be reapplied for every 6 months
- RAP has 2 stages:

Stage1: 6 months of interest relief, which students may qualify for

- \$0 dollar payment, or
- reduced payments depending on their family income.

Stage 2: Debt reduction, when the government covers both any principal and interest that exceeds the student's affordable payments.

- Students from a low-income family may never have to make any payments on the debts if they reapply and get accepted for RAP every 6 months for 15 years, or 10 years, if they have a disability to be accommodated.

Topic 6: Navigating through NSLSC website, and How to Access Your Account

- Navigating debt repayment can be tricky.
- Recommendation:
 - First, go to the NSLSC website. You will arrive at the home page and you must register for your account. Or login if you already have one.
 - If you are registering for a new account, you have 2 options:
 - Sign up with a partner (e.g., your bank), or
 - Sign up with a GCKey user id.
- After registering and logging in with any of the options, select "I agree" each time after reading the agreement page and privacy page thoroughly.
- You will be given 2 options to create your NSLSC account, which will be used to check your debt owing and all other things.
 - Create a new account
 - Use a SIN number to recover an old account
- You will need a MFSAA number to go any further.
- If you ever need to contact the NSLSC, or have any questions/concerns, you can always go to the NSLSC through their "Contact Us" tab on their website (at the bottom of the login page)
- You can always send them an email or call them at their toll-free telephone number.
- If you need to send any documentation/writing, you can mail it to their postal address or you can fax them.
- Responses to your email/phone call may take some time, with a telephone call being the faster option.
- Follow the on-phone prompts to the department that can answer your question or simply hit 0 on the dial pad to talk to an operator.

Episode 1- Online Resources

Key terms	Contact Information & Links
National Student Loans Service Centre (NSLSC)	<p><u>Address:</u> P.O. Box 4030 Mississauga ON L5A 4M4</p> <p><u>Toll free telephone:</u> 1 888 815-4514 (within North America) 800 2 225-2501 (outside North America)</p> <p><u>Website:</u> https://www.csnpe-nslsc.canada.ca/</p>
Statistics Canada	<p><u>Website:</u> https://www.statcan.gc.ca/eng/start</p>
OSAP Fact Sheet 4	<p><u>Website:</u> https://cec.info.yorku.ca/bcfan/resources/</p>
One-Year OSAP Grace Period for Entrepreneurs	<p><u>Website:</u> https://osap.gov.on.ca/OSAPPortal/en/A-ZListofAid/PRDR020903.html</p> <p><u>Form link:</u> https://osap.gov.on.ca/prodconsumption/groups/forms/documents/forms/prdr007915.pdf</p>
One-Year OSAP Grace Period for Not-For-Profit Employees	<p><u>Website:</u> https://osap.gov.on.ca/OSAPPortal/en/A-ZListofAid/PRDR020905.html</p> <p><u>Form link:</u> https://osap.gov.on.ca/prodconsumption/groups/forms/documents/forms/prd17787637.pdf</p>
Repayment Assistance Program (RAP)	<p><u>Website:</u> https://www.canada.ca/en/services/benefits/education/student-aid/grants-loans/repay/assistance/rap.html</p>