

Episode 4: A Guide to Student Debt Rehabilitation

Table of Contents	
	Introduction
	An Interview with a York University Student
	Topic 1: What is Debt Rehabilitation?
	Topic 2: The Application Process
	Topic 3: If You Are Eligible to Apply
	Topic 4: Rehabilitation Plan Options
	Topic 5: After a Successful Debt Rehabilitation
	Episode 4 – Online Resources

Introduction:

- This podcast discusses the implications of debt rehabilitation.
- When a student loan has defaulted on the Ontario portion of the student loan, it is transferred from NSLSC to a private collection agency. The student must apply for debt rehabilitation to be eligible for additional student loans.

POSTSCRIPT: The Canada Student Loan and the Canada Apprentice Loan are sent to Canada Revenue Services for collections. For information on rehabilitating the **federal** portion of your student debt, see <https://www.canada.ca/en/revenue-agency/services/about-canada-revenue-agency-cra/when-you-money-collections-cra/student-apprentice-loan-debt.html>

An interview with a York University Student

- The short interview in this podcast asked a student to share his experience and knowledge on student loan rehabilitation.

Topic 1: Debt Rehabilitation

- Debt rehabilitation returns your loan to good standing and puts your student debt back into the hands of NSLSC.
- To be eligible, you must meet the following criteria:
 - o You have defaulted on your Ontario Student Loan, and/or the Ontario portion of your Canada Ontario integrated student loan
 - o You have at least \$600 of Ontario Student Loan principal outstanding
 - o You have less than 2 prior attempts to rehabilitate your Ontario Student Loan

Topic 2: The Application Process

- Contact private collection agency that has your loan.
- Tell them you want to apply for the Ontario Student Loan Rehabilitation Program, and the length of the rehabilitation plan you are interested in.
- If you do not know which agency has your loan, contact Account Management and Collections Branch of the Ministry of Finance.
- The collection agency will determine your eligibility to apply.
- A list of all the private collection agencies is on the OSAP government website; the rehabilitation section can be found by searching “OSAP Rehabilitation.”

Topic 3: If You Are Eligible to Apply

- The collection agency will send an application based on your selected rehabilitation plan.
- The package includes:
 - o Schedule for the required monthly rehabilitation payment
 - o Rehabilitation period and date
 - o Deadline to return the application package
- The rehabilitation payments are calculated based on:
 - o Defaulted Ontario Student Loan's outstanding principal
 - o Amount of outstanding interests from missed payments
- If you choose to proceed, sign, and return the application. This action starts the rehabilitation process and it is counted as 1 rehabilitation attempt.

Topic 4: Rehabilitation Plan Options

- The plans differ by how many monthly payments you will be making.
- The number of monthly payments you are expected to make corresponds to the plan you choose.
- The rehabilitation plan options are for 2,3,4,5, or 6 months. Any outstanding interest will be included in these payments.

Topic 5: After a Successful Debt Rehabilitation

- Follow the payment schedule planned or pay the entire amount early. In this case, you must still wait until the end of the rehabilitation period, indicated in your application package, before your rehabilitation is considered successful.
- The rehabilitation attempt will be considered unsuccessful if you fail to make your rehabilitation payments for 2 months in a row or if you do not complete your required payments in the rehabilitation period.
- If you successfully complete the process, your rehabilitated Ontario Student Loan will be transferred to the NSLSC. The NSLSC will let you know your new monthly payments amount.
- If your outstanding Canada and Ontario Student Loans are in good standing, you can apply for further aid from OSAP, including reduced loan payment, and the Repayment Assistance Plan.
- To check your application status for rehabilitation, you must find the accurate private collection agency that has your loan, or the Account Management and Collections Branch of the Ministry of Finance.

Episode 4 – Online Resources

Key terms	Contact Information & Links
Private collection agencies list	<p><u>Website:</u> https://osap.gov.on.ca/OSAPPortal/en/A-ZListofAid/PRDR019258.html#P31_2901</p>
Ontario Student Loan Rehabilitation Program	<p><u>Website:</u> https://osap.gov.on.ca/OSAPPortal/en/A-ZListofAid/PRDR019258.html</p>
Account Management and Collections Branch of the Ministry of Finance	<p><u>Address:</u> 33 King Street West PO Box 622 Oshawa ON L1H 8H5</p> <p><u>Toll free telephone:</u> 1-866-668-8297 -- General Enquiries (Canada & U.S.A.)</p> <p><u>Fax:</u> 905-429-4790</p> <p><u>Email:</u> taxroll.management@ontario.ca</p> <p><u>Website:</u> http://www.infogo.gov.on.ca/infogo/home.html#orgProfile/849/en</p>
Ministry of Finance (Ontario)	<p><u>Website:</u> https://www.ontario.ca/page/ministry-finance</p>