



# Repayment Essentials 2019-20

It Pays to Think Ahead!



# MyLoan

Manage your **Alberta** student loan:

[myloan.studentaid.alberta.ca](http://myloan.studentaid.alberta.ca)

See your loan details AND make changes.

Register online so you can:

- Customize your payment terms
- Manage your loan
- Ask questions. Expert advice is available.



Manage your **Canada** student loan:

- **National Student Loans Service Centre**

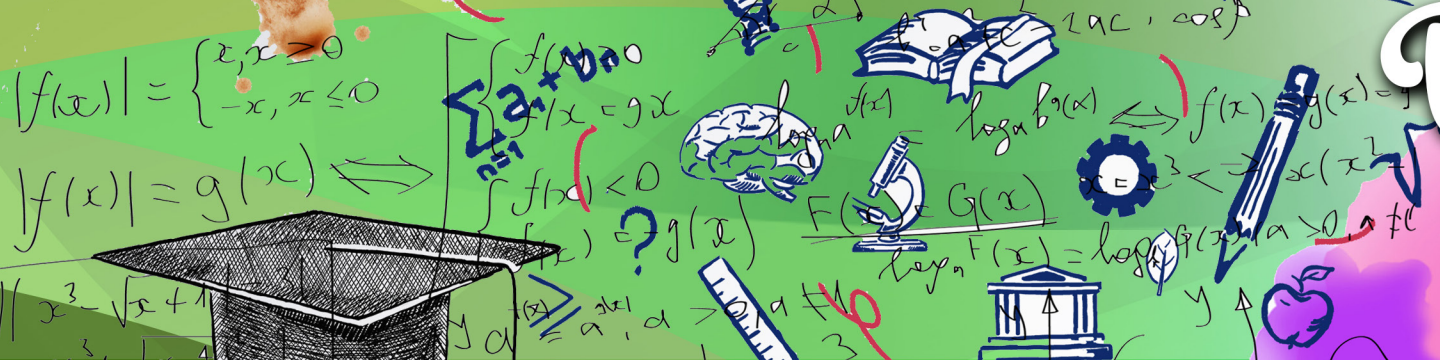


## Contents

---

Repayment Essentials	4
2 Loans = 2 Payments	5
Alberta Student Loan	6
Canada Student Loan	7
Interest Rates for Student Loans Repayment	8
How the Prime Rate Affects Loan Repayment	9
Amortization	10
Customize Your Payment Terms	11
Repayment Assistance	12
Reduce Your Monthly Payment Amount	14
What Happens If You Don't Pay	15
Repayment Tips	16
Debt Repayment Strategy	17
Repayment Stories	19
What's Your End Game	21
Frequently Asked Questions	23
Student Loan Financial Terms	24





# Repayment Essentials

## It Pays to Think Ahead!

### Why You Need to Read Repayment Essentials

You're done school, entering a new phase of your life - ready for new challenges! Maybe you want to buy a house, or a new car, or get a line of credit. How well you handle your student loan payments will have a major impact on your ability to do any of that.

Whether you are rolling in dough or surviving on ramen, understanding student loan repayment and making good money management choices will set you up for financial success.

### Why A Good Credit Rating is Important

Loans are a necessary part of life for most of us, and how you manage your loans will make a big difference to your financial health.

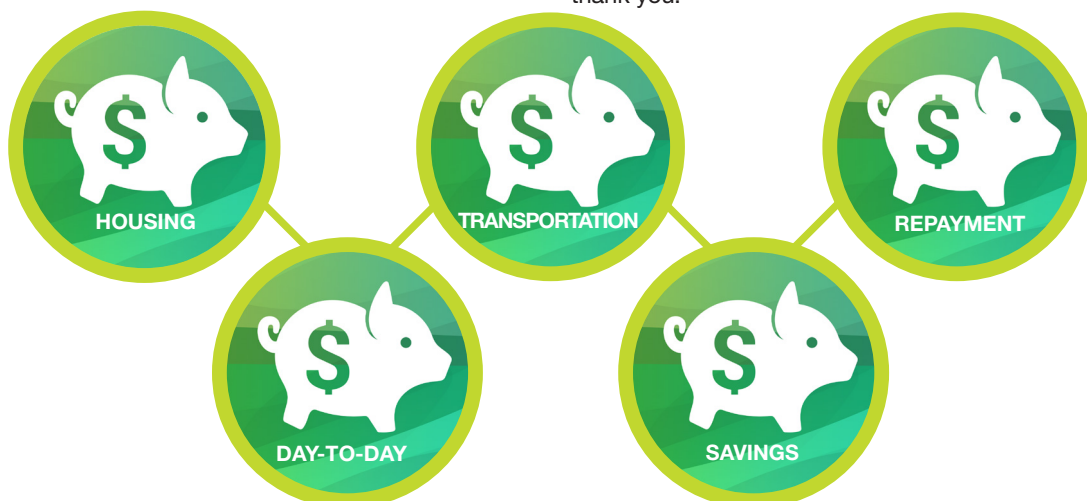
For many recent graduates, your student loan is the #1 factor in determining your credit rating. If you stay on track, your credit rating goes up. Miss payments or default and your credit rating goes down.

### Make Payments on Time

Simply by paying your bills and making your loan payments on time – you will build a solid credit rating – and lenders will reward you in the future by charging a lower interest rate when you want to get other loans, like a car loan or a mortgage.

Doing this will save you thousands of dollars over your lifetime.

Make your payments on time. Your future self will thank you!





## 2 Loans = 2 Payments

80% of Alberta students who apply for Alberta Student Aid get both:

- Alberta student loans
- Canada student loans

This means the majority of students sign 2 loan agreements and have 2 loan payments to manage.

Your loan agreements are called:



You signed your loan agreements/MSFAAs the first year you applied for student aid. Before you finish school, read your agreements again so that you understand your legal obligations and your repayment options.

Knowing the terms of your loan agreement(s) will help you understand:

- Your loan repayment obligations
- Your options if you have difficulty making payments
- How you can customize your payments
- How you can pay your loan off sooner

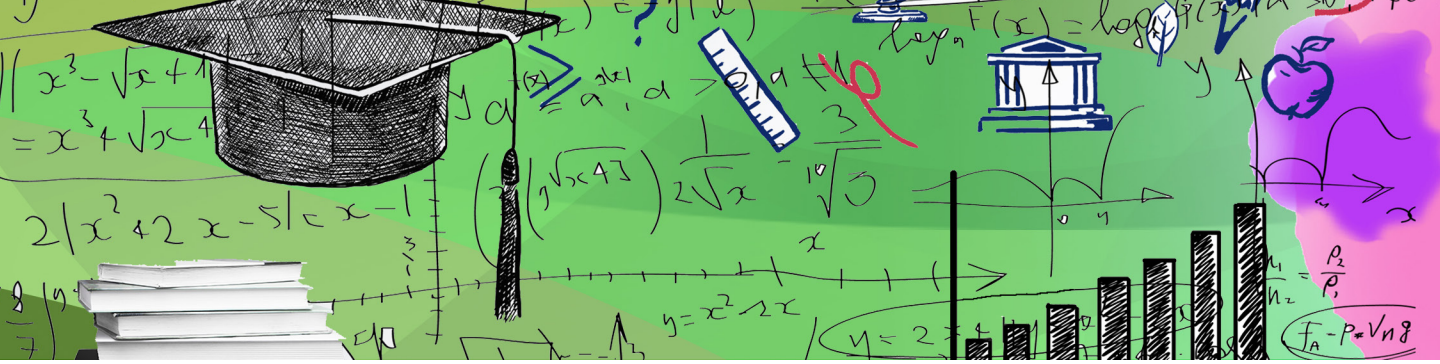
To access your loan agreements:

Alberta MSFAA

- **Login to your Alberta Student Aid account**

Canada MSFAA

- **Sign in to My NSLSC Account**
- Loan Agreements prior to April 3, 2018 are available in your Alberta Student Aid account.



# Alberta Student Loan



[myloan.studentaid.alberta.ca](http://myloan.studentaid.alberta.ca)

## Loan Status

### In Study



**You are in school**

Interest free period.

No payments required. However, you are able to make payments at any time to pay your loan off faster.

### In Grace



**The 6-month period after you finish school**

Interest free period.

Begins the first day of the next month, after your period of study end date.

No payments required. However, you can make payments while you are In Grace to pay your loans off faster.

### In Repayment



**Begins the 1st day of the 7th month after your loan is In Grace**

Interest accrues daily and is calculated monthly.

A monthly payment schedule is set up for you automatically.

Login to MyLoan to:

- Adjust your Monthly Payment Amount
- Change your Monthly Payment Date

You can change the frequency of payments from monthly to biweekly or weekly, by calling the Alberta Student Aid Service Centre.



# Canada Student Loan



## National Student Loan Service Centre

### Loan Status

#### Study Period



**You are in school**

No interest.

No payments required.

#### Non-Repayment Period



**The 6-month period after you finish school**

Interest is no longer charged as of Nov 1, 2019.

Prior to this date, interest is charged. Interest accrues daily and is calculated monthly. This also applies to part-time student loans.

Begins the first day of the next month, after your period of study end date.

No payments are required. However, you can make payments while in Non-Repayment period to pay your loan off faster.

#### Repayment Period



**Begins the 1st day of the 7th month after your loan is Non-Repayment period**

Interest accrues daily and is calculated monthly.

A monthly payment schedule is set up for you automatically.

Sign On to my NSLSC account to:

- Adjust your Monthly Payment Amount
- Change your Monthly Payment Date

You can change the frequency of payments from monthly to biweekly or to weekly, by calling the National Student Loan Service Centre.





# Interest Rates for Student Loans Repayment

## Fixed and Floating Interest Rates

There are two types of student loan interest rates – fixed and floating. Both are based on the prime rate. The interest on your loan(s) accrues daily, and is calculated monthly (applied to your loan balance).

### Interest:

The amount paid by a borrower to a lender for the use of money. The interest charge is typically expressed as an annual percentage.

## Prime Rate and Interest Rate

Each of Canada’s five major banks post their prime rate. The interest rate charged on student loans is based on the prime rate.

For Alberta student loans, the interest rate charged is the prime rate as declared by the Canadian Imperial Bank of Commerce (CIBC) + 1%:

- **CIBC Current Posted Prime Rate**  
<https://www.cibc.com/ca/rates/index.html>

The Canada Student Loans Program (CSLP) uses the prime rates declared by Canada’s five largest banks to calculate its prime rate for Canada student loans. CSLP calculates its prime rate by eliminating both the highest and the lowest of the five rates, and then calculates the average of the remaining three.

For more information on interest rates charged by CSLP, go to:

- **Loan Repayment Estimator**  
<http://tools.canlearn.ca/csllgs-scpse/cln-cln/crp-lrc/af.nlindex-eng.do>

## Student Loan Interest Rates (different rates are charged on your loans)

Alberta Student Loans	Canada Student Loans
<b>Floating (or Variable) Rate:</b> Prime Rate + 1%	<b>Floating (or Variable) Rate:</b> Prime Rate
<b>Fixed Rate:</b> Prime + 2%	<b>Fixed Rate:</b> Prime + 2%



# How the Prime Rate Affects Loan Repayment

Changes to the prime rate affect the interest calculations on your loan. When the prime rate changes, the interest charged on your loan(s) change, however, your monthly payment amount will remain the same:

- If the prime rate increases, you will pay more interest. (More of your payment goes towards the interest owing).
- If the prime rate decreases, you will pay less interest. (More of your payment goes to your principal owing).

## Floating Rate

Interest on both your Alberta student loan and Canada student loan is automatically set at the floating rate. Your interest rate changes when prime rate changes.

## Fixed Rate

You can request a fixed interest rate.

### Tool Tips:

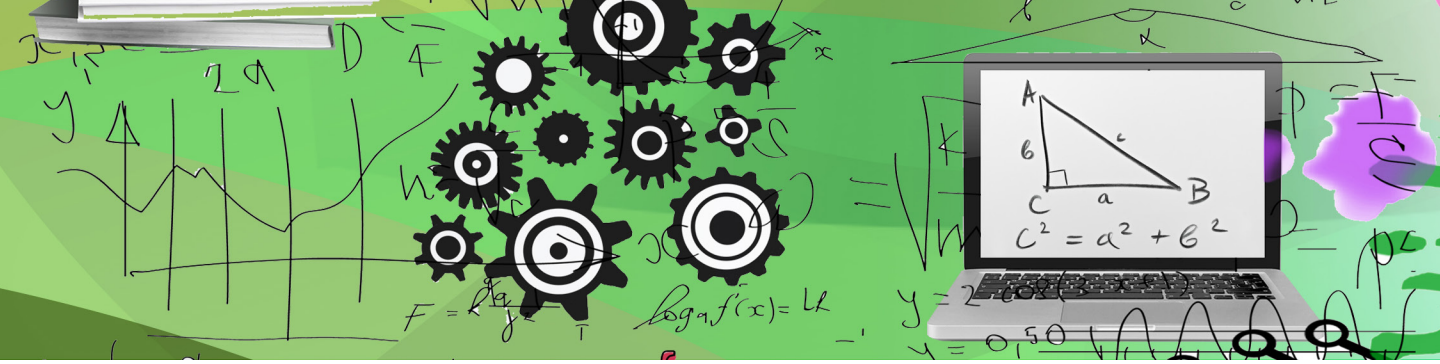
If you choose or have chosen to switch to the fixed interest rate, the rate used is the rate at the time of the request. You cannot revert to the floating rate.

## Which Rate is Better?

Choosing a floating rate will usually save you money because floating interest rates are lower than fixed rates. This is true as long as the prime rate doesn't rise dramatically over the term of the loan (the number of years it takes you to pay the loan off in full).

You can compare the cost of choosing a floating rate versus a fixed rate to pay off your loan at:

- **Loan Repayment Estimator**  
<http://tools.canlearn.ca/csigs-scpse/clin-cln/crp-lrc/af.nlindex-eng.do>



# Amortization

## Your Monthly Payment Amount

Your monthly payment amount is calculated:

**Your Loan Balance**  
(Principal + Interest)

---

**Divided by the amortization period**  
(# months to pay in full)

**= Monthly Payment**

Alberta Student Aid determines your Amortization, or the number of months to pay, based on your outstanding balance when you enter repayment:

- 36 months for loans up to \$3,000
- 72 months for loans between \$3,001 - \$6,000
- 114 months for loans \$6,000 and over

If you shorten your amortization you:	If you increase your amortization you:
Decrease the number of months it will take you to pay off your loans	Increase the number of months it will take you to pay off your loans
Increase your payment amounts	Decrease your payment amounts
Pay less interest	Pay more interest

**Amortization:**

The period of time over which you agree to pay back a loan via a series of regular payments.





# Customize Your Payment Terms

Your Alberta student loan payment schedule is based on the total amount of money you borrowed. You can follow the payment schedule that is automatically set up for you, or you can customize your payments to work for you.

## 4 Simple Ways to Pay Your Loan Off Faster

### 1. Increase your monthly payment amount

Login to your MyLoan account, go to:

- Customize Payment Terms

### 2. Make Additional Payments

- Make additional lump sum payments as often as you can
- Additional payments are applied directly to your Principal Owing

Make a Payment and choose either:

- One-Time Payments
- or
- Pay with Online Banking

### 3. Change to Biweekly or Weekly Payments

Switch to biweekly or weekly payments to pay your loan faster:

- Payments are applied to your loan balance sooner, decreasing the amount of interest that accrues daily.
- Increases the number of payments you make each year:
  - o Monthly = 12 payments each year
  - o Biweekly = 26 payments per year (equivalent to 13 monthly payments)
  - o Weekly = 52 payments per year (equivalent to 13 monthly payments)

**Call:**

Alberta Student Aid Service Centre

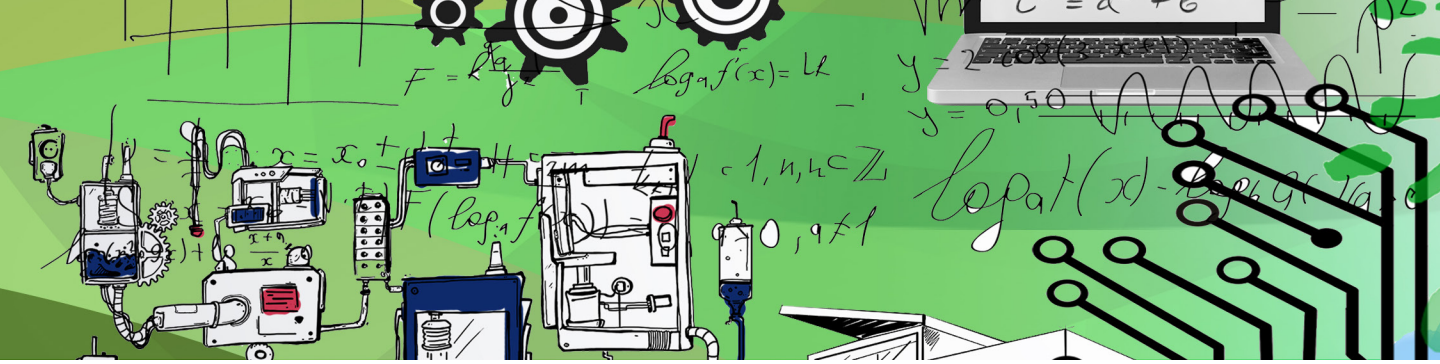
### 4. Adjust the length of your Amortization period

Decrease the number of months it will take to pay off your loan:

- Increases your monthly payment amount
- You will pay your loan off in full, faster
- You will pay less interest

**Call:**

Alberta Student Aid Service Centre



# Repayment Assistance

**If you are having difficulty repaying your loans, you have options.**

## Repayment Assistance Plan

The Repayment Assistance Plan is a great option if you are having difficulty making your payments. If you are eligible, an affordable payment is calculated based on your family size and income. Depending on your circumstances, that could mean that no payment is required for the 6 month approval period.

**No payments required if your income is under:**

Family Size	1	2	3	4
	\$25,000	\$39,000	\$50,500	\$59,500

**Eligible for an affordable (reduced) payment if your income is under:**

Family Size	1	2	3	4
	\$50,000	\$60,000	\$80,500	\$100,500

## How it Works

### Stage 1

The government will pay the interest owing that your revised payment does not cover. This may last for up to 60 months during the 10-year period after your period of study end date.

### Stage 2

Stage 2 begins after you complete Stage 1, or when you have been in repayment for over 10 years after your period of study end date. During Stage 2, if you continue to experience difficulty meeting your repayment obligations, the Alberta Government will begin to cover both the principal and interest on your loan(s) that exceeds your reduced monthly payments.

As long as you remain eligible for the Repayment Assistance Plan, the balance of your loan is gradually paid off. Repayment obligations will not exceed 15 years after your period of study end date.

The Repayment Assistance Plan is there to help you through tough times – but we also want to help you tackle your debt and pay off your loan as soon as possible – so you have to reapply for the Repayment Assistance Plan every 6 months.



## Repayment Assistance Plan for Students with a Permanent Disability

The Repayment Assistance Plan for Students with a Permanent Disability allows your balance to be reduced to zero after 10 years (instead of the usual 15 years). After 10 years no debt or restrictions will exist.

If you are on the Repayment Assistance Plan for Students with a Permanent Disability and you are more than five years into repayment, you will be restricted from further funding from the Canada Student Loans Program until your balance is zero. You may still be eligible to receive further funding from Alberta Student Aid.

### Eligibility

To be eligible for the Repayment Assistance Plan:

- Your loan must be In Repayment.
- Your loan must be in good standing (not in default).
  - Your loan may be backdated up to 6 months and/or up to 3 months of interest can be capitalized (interest owing is added to your principal).
- You must provide all requested documentation
- You must meet the financial eligibility requirements

You are not eligible if:

- Your loan has been included in a bankruptcy
- You are restricted for failing to make previous Repayment Assistance Plan affordable payments

You may be eligible for the Repayment Assistance Plan for Students with a Permanent Disability if

- Your permanent disability has been assessed and recognized by the Canada Student Loans Program

and

- You are eligible for the Repayment Assistance Plan

### Apply for the Repayment Assistance Plan

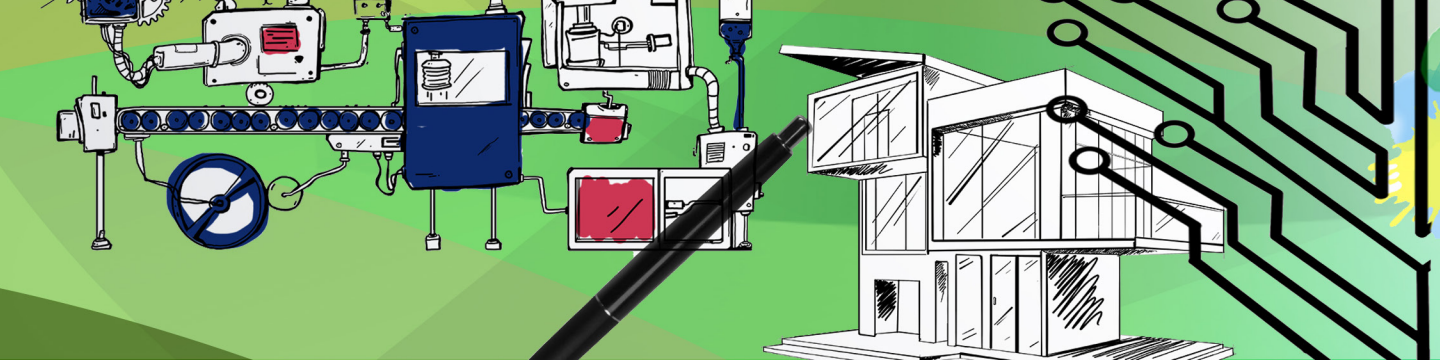
If you have Canada and Alberta student loans you only need to submit one application for the Repayment Assistance Plan. The online application is available through the National Student Loan Service Centre.

- **Sign On to my NSLSC account**

If you have Alberta student loans only, call

- **Alberta Student Aid Service Centre  
1-855-606-2096 | Option 3**





# Reduce Your Monthly Payment Amount

If you are having difficulty making payments, you can reduce your monthly payment amount. Login to your MyLoan account and go to Customize Payment Terms. Choose “Regular Payment Schedule” to see how you can adjust your payment amount, and the impact it will have on the rest of your repayment.

When you reduce the monthly payment amount, you automatically extend the amortization period and it will take you longer to pay off your loan.

There are limits to how much you can reduce your payments:

- Maximum amortization period is 174 months (=14 years, 5 months)
- Minimum payment amount is \$25/month

## **Benefit of reducing your monthly payment amount:**

- You will have a little more breathing room with a lower monthly payment.
- You can increase your payment amount as soon as you feel comfortable doing so.

## **Downside:**

- It will take you longer to pay your loan.
- You will pay more interest in the long run.

## **Make Interest Only Payments**

Another repayment assistance option is to pay only the interest on your loan. You can make interest only payments for up to 6 months if you are having difficulty making your scheduled payments.

During this time your payments are applied to interest, not to the principal. This means that you are not making any progress towards paying off your loan, but your loan is still in good standing.

To change to interest only payments, login to your MyLoan account and go to Customize Payment Terms. If you are In Repayment, you can choose “Interest Only Payment” from the drop-down menu.



## What Happens If You Don't Pay

Life happens and paying your loans might be a challenge. You might still be looking for a job, or lose the job you had. Or maybe you just didn't realize your Grace Period ended.

Whatever the reason, not making your student loan payments has serious consequences. Your credit score can suffer making it difficult to get a mortgage, car loan, or line of credit in the future. A poor credit score will follow you for 7 years, putting you in the 'risk' category for future financial loans you may want to apply for. Having a poor credit score could restrict you from getting the best interest rates available, making a large financial purchase, or even getting a job!

If you are having difficulty paying your student loans, you have options! Apply for the Repayment Assistance Plan, customize your payments terms, or make interest only payments. Whatever you do, do not ignore your student loans completely.

If you do not make payments, the Alberta Student Aid Service Centre will try to contact you by phone and by email. Don't be afraid to talk to us. There are programs available to help you get back on track and we are here to help!

**Alberta Student Aid Service Centre**  
**1-855-606-2096 | Option 3**

When your loan is 150 days overdue, it is transferred to Service Alberta – Crown Debt Collections. They will take action that may include:

- Reporting to a credit agency
- Sending your debt to a private collection agency
- Taking legal action
- Taking your income tax refund and/or GST refunds

Even if you default on your loan, you can work with Service Alberta - Crown Debt Collections and the private collection agencies to come up with a repayment plan that works. It's never too late!

**Service Alberta – Crown Debt Collections**



# Repayment Tips

You don't have to be a financial genius to get your accounts in order and your loans paid off. When it comes to whittling down your debts and avoiding falling behind on payments these small actions can make a huge difference in paying off your student loan in full, more quickly.

## Repayment Tip #1

Set up automatic withdrawals from your bank account for loan payments when you get paid. If you don't see the money, you won't be tempted to spend it.

## Repayment Tip #2

Round your payment up to the nearest \$50 or \$100 increment. If your payment is \$386/month, bump it up to \$400. You won't miss that extra \$14, and every little bit pays your loans off faster.

## Repayment Tip #3

If your income goes up, increase your loan payments. Make your loan payments a percentage of your earnings, instead of a specific amount.

## Repayment Tip #4

Bonus cash? Side job, inheritance, 50/50 win, wherever it comes from, put it towards your loan. It might be hard in the short term, but you are buying your future financial freedom. It will pay off in the end.

## Higher Ed Points

Higher Ed Points allows you, your family, or your friends to convert their Aeroplan Miles into student loan payments.

Find out how some Alberta students have tackled their student loan payments using travel points:

- **Use Loyalty Points to make payments on your Alberta student loans**

Check it out:

- **HigherEdPoints.com**  
<http://studentaid.alberta.ca/repaying-your-loan/making-payments/higheredpoints.aspx>





# Debt Repayment Strategy

## Avalanche vs. Snowball

Getting a handle on your debt can seem daunting, but working your balance down to zero is possible – you just need a plan! Two popular approaches for tackling debt repayment are the Debt Avalanche and Debt Snowball methods. Both schools of thought emphasize making the minimum payments on all of your debts each month, while aggressively paying down one balance at a time. The difference between the two is how each methods prioritizes which debt to pay off first.

### Debt Snowball

The Debt Snowball approach focuses on paying off your smallest balance first and creating some positive momentum towards getting yourself out of debt.

<b>Step 1:</b>	Sort your debts from the smallest amount owing to the largest.
<b>Step 2:</b>	Make the minimum payment on all your debt, except for the smallest amount owing – put any/all extra payments that you can on this one.
<b>Step 3:</b>	Continue until the smallest amount is paid off. Once that debt is gone, move onto the next smallest amount/debt owing.

#### Upside

The benefit of the Snowball method is the positive boost of a quick reward. Paying off that first debt – SUCCESS! - gives you the motivation to tackle the next one.

#### Downside

You will pay more interest in the long run with Snowball method than you would using the Avalanche method.

### Debt Avalanche

The Debt Avalanche involves focusing your attention on aggressively paying off the balances with the highest interest rate first.

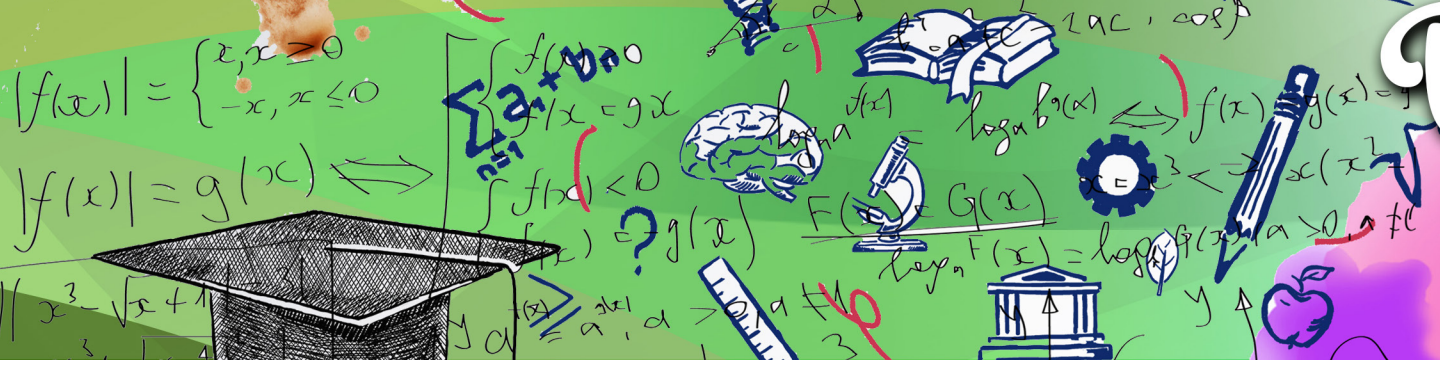
<b>Step 1:</b>	Check those interest rates. Arrange your debts in order of highest interest rate to lowest interest rate.
<b>Step 2:</b>	Continue to make the minimum required payment on each of your debts, except for the one with the highest interest rate – on that one: pay as much extra as you can afford until it is paid off.
<b>Step 3:</b>	Success is yours when you have paid off the debt with the highest interest rate! Repeat – Start back at Step 1 until all your debts are paid in full.

#### Upside

Getting rid of the debt with the largest interest rate first will save you money in the long run.

#### Downside

It can be tough to stay focused because the first debt you tackle may also be the hardest.



## Which Method is Right for You?

Since both the Debt Snowball and Debt Avalanche strategies foster good repayment habits, it's hard to say which one is better. While the Debt Avalanche approach may be the cheaper way to pay off outstanding balances, the Debt Snowball method can motivate you to keep working towards being debt free by tackling the smaller, "easy" debts first.

Figuring out which method of tackling your debt is the most motivating to you is the first step in determining which method to use.

- If saving money is your highest motivation then the avalanche approach is probably the right choice – but remember, you need to stay on track with your debt repayment plan.
- If you need to see quick progress and build confidence in your loan repayment habits, the Debt Snowball approach may be the best way to help you stay on track.

Whichever one you choose, all that matters is that you stick to a plan and avoid falling behind on your repayment goals.

## Repayment Stories



**Laura, Acupuncture  
Diploma**  
\$20,000 in Alberta student loans

Laura had personal savings and worked full-time during the summers, which covered some of her rent and living costs while in school. She also lived with a roommate to lower expenses. Working in the clinic as part of her program, Laura was able to cover fees, books, and part of her tuition. Laura used Alberta student loans to cover a portion of her expenses but also amassed a fair amount of credit card debt.

After graduating, Laura found a job in an acupuncture clinic. She makes good money and has decided to repay her debts at a moderate rate so she can also begin saving for a down payment on a house. The interest rate on her credit card is much higher than on her student loan, so Laura focuses on paying it first so it doesn't accumulate. She also decides to limit her credit card use to emergencies only.

Laura is paying \$300/month towards her student loans, which means she'll be debt free in seven years. She will pay \$3,139 in interest but appreciates that the longer repayment term gives her breathing room in her monthly budget.

### Laura's finances:

Living expenses: \$45,000.00  
Tuition, fees, and books: \$45,240.00  
**Total: \$90,240.00**

Savings: \$19,000.00  
Summer jobs: \$26,560.00  
Work in clinic: \$18,000.00  
**Total: \$63,560.00**

Credit card debt: \$6,680.00

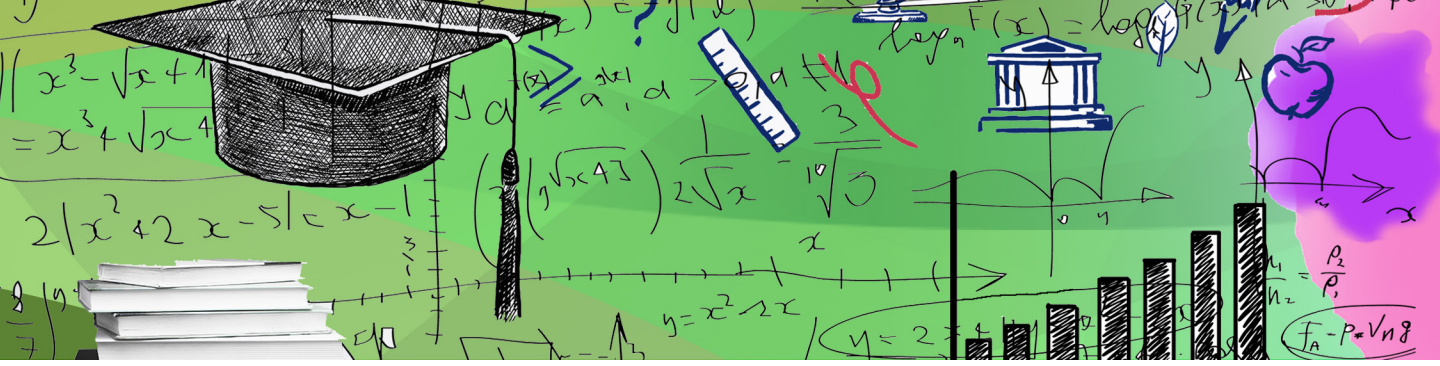


**Katie, Bachelor of  
Commerce Degree**  
\$12,000 in Alberta student loans

Katie lived with her parents while in school to lower living expenses. She chose to focus on academics and extracurricular activities, so she worked only a few hours a week and enrolled in spring and summer courses to lessen her workload during the year. This paid off in scholarships and awards, which she used to pay for books and fees.

Katie used Alberta student loans to cover part of her tuition. She found a good job right after graduating and soon got married and took out a mortgage but was still determined to pay off her loan quickly, even during the Grace Period.

Using MyLoan, Katie customized her repayment to pay more each month and shorten her repayment term. Paying \$346/month allows her to pay off her balance in three years (assuming a 5.45% interest rate). Katie will be debt free in about four years and will only pay \$1,073 in interest.



**Brian, Chemical Engineering Degree**  
**\$35,000 in Alberta student loans**

Brian went to university as a mature student with a family of four, so his combined school and living costs were hefty. But his partner continued to work, and Brian landed an internship for two summers, which offset some of the costs.

Brian took out student loans to cover almost all of his tuition, fees, and books. His situation also qualified him for several government grants, which he doesn't have to pay back. However, to pay for monthly living expenses, his family had to take out a line of credit.

Brian landed a high-paying job right after school, making \$95,000/year. But with all his debts, the household budget remains tight every month. Brian and his partner are working together to eliminate their line of credit quickly, but to put less financial stress on his family, Brian is taking longer to pay off his government loan.

He decided on a 12.5 year term. Even though he'll pay \$12,063 in interest over the course of his repayment, the lower monthly payment of \$314 will help to make sure his family isn't strapped for cash.



**Tom, Bachelor of Arts Degree**  
**\$28,000 in Alberta student loans**

Tom took a year off after high school to work and save money for university. He planned to take out student loans and was determined to graduate debt free. During his four-year degree, he continued to live with his parents to save on consumer costs but still paid \$500/month for rent.

He used student loans to pay for tuition and fees and supplemented his earlier savings with a part-time job to cover rent, food, and books. For two summers, Tom also took advantage of a work placement program through the career centre of his university. He used his earnings to pay back some of his loans and put the rest in a savings account.

By the time he graduated, Tom had saved enough to make a lump-sum payment on his loan and pay it off during the 6-month Grace Period before they acquired any interest.

**Tom's finances:**

- Books (mostly used): \$4,800.00
- Tuition and fees: \$27,693.92
- Rent: \$24,000.00
- Total: \$56,493.92**

- Savings: \$17,000.00
- Part-time job: \$20,000.00
- Summer job: \$23,040.00
- Total: \$60,040.00**





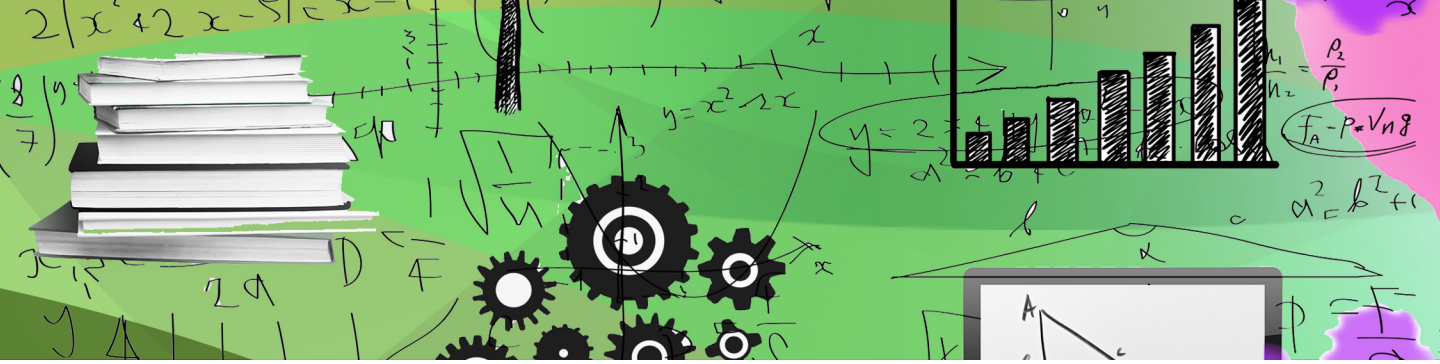
# What's Your End Game

## Which Method is Right for You?

Jordan and Taylor left school with the same degree and the same amount of student loans. Jordan chose to make lump sum payments on his loan while In Grace, and adjusted his repayment terms to help pay off his loan sooner. Alternatively, Taylor made no payments during the In Grace period, and made no adjustments to his monthly payment amounts over the course of his repayment term.

- Jordan paid off his \$30,000 student loan in 3 years and paid \$1,008.31 in interest
- Taylor paid off his \$30,000 student loan in 10 years and paid \$4,761.81 in interest.

Both managed to get their loans repaid within their set terms, but Jordan's focus on accelerating his repayment saved him thousands of dollars and years of being in debt. It pays to think ahead!



**Taylor**

Student Loan Status	Repayment Habits	Cost to Borrower
In Grace	Engineering Degree \$30,000 student loan debt	Original Balance Owing: \$30,000
In Grace	Did not put any money from tuition tax credit towards debt while In Grace	Remaining Balance: \$30,000
In Grace	Chose to wait until Grace period ends before beginning loan payments	Remaining Balance: \$30,000
In Repayment	\$30,000 Repayment Term: 10 years (120 months)	Monthly payment: \$286.68
In Repayment	Doesn't adjust terms over the course of the loan repayment cycle	Loan paid off in 120 months Interest paid: 4,761.87 Total Balance Paid (Principal + Interest): \$34,761.87



**Jordan**

Student Loan Status	Repayment Habits	Cost to Borrower
In Grace	Engineering Degree \$30,000 student loan debt	Original Balance Owing: \$30,000
In Grace	Used tuition tax credit of \$3000 to pay down debt while In Grace	Remaining Loan Balance: \$27,000
In Grace	Put \$5000 from student internship toward Alberta Student loan, while In Grace.	Remaining Loan Balance: \$22,000
In Repayment	\$22,000 Repayment Term: 5 years (60 months)	Monthly payment: \$395.31
In Repayment	Switched to bi-weekly payments	Bi-weekly payment: \$197.66 Estimated time to pay off loan: 55.4 months
In Repayment	Increases bi-weekly payments by \$100: \$297.66	Loan paid off in 36 months Interest Paid: \$1,008.31 Total Balance Paid (Principal + Interest): \$31,008.31



# Frequently Asked Questions

## Why do I have 2 loans?

When you apply for Alberta Student Aid, you are considered for both Canada and Alberta student loans and grants. About 80% of Alberta students who apply are eligible to receive both Alberta student loans and Canada student loans.

Although you only have to submit one application, you may have 2 separate loans to manage and repay. Your student award letter will tell you which loan(s) you received and the amount(s).

## Where do I get my Alberta Student Loan Number?

You are assigned an Alberta loan number when you first receive Alberta student loan funding. It is a seven digit number, starting with the number 7, followed by six digits.

**Example: 7-111111**

You can find your Alberta Student Loan Number by searching for the following 2 emails sent to you from [info@myloan.alberta-studentaid.ca](mailto:info@myloan.alberta-studentaid.ca):

1. **Subject line:** "Register for your New Alberta Student Aid MyLoan Account"
2. **Subject line:** "Your Funding is Confirmed"

## What payment methods are available?

You can make payments by:

- Pre-authorized Payment Plan
- Online or Telephone Banking
- Personal Cheque, Money Order, or Cashier's Cheque

Credit card payments and payments from a bank line of credit are not accepted.

## How do I apply for Repayment Assistance?

If you have Canada and Alberta student loans, you can apply for the Repayment Assistance Plan (RAP) online, or call:

- **Sign On to My NSLSC account**

If you only have an Alberta student loan, you can contact us and have an application mailed out to you:

- **Alberta Student Aid Service Centre**  
1-855-606-2096 | Option 3

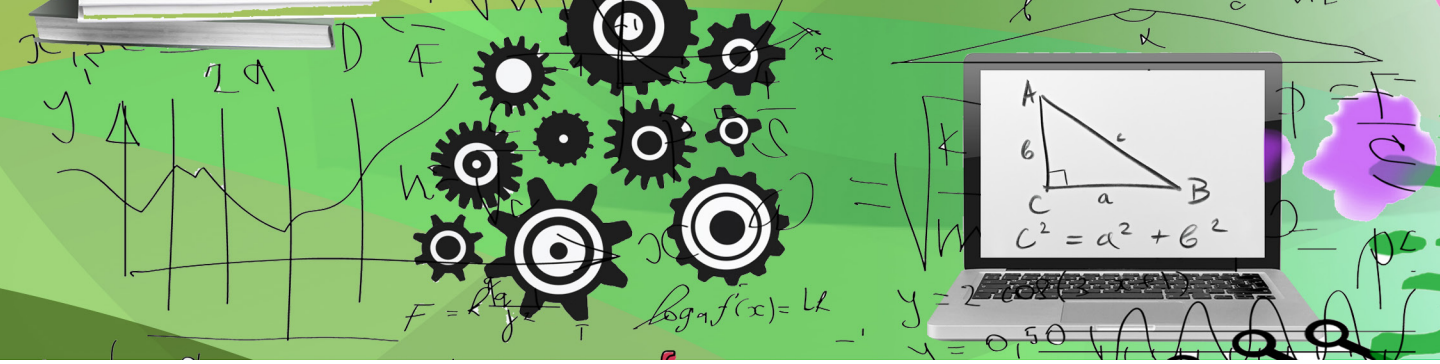
## How do I make changes to my payment terms?

Customize your Payment Terms from the My Account menu.

- **Login to MyLoan**

## What happens to my loans if I declare bankruptcy?

If you declare bankruptcy, you are still expected to repay your student loans. You must continue to make monthly payments until the debt is repaid. However, you may request a court-ordered discharge once five years have passed since you left school.



# Student Loan Financial Terms

If a student loan is your first loan – you are entering a new world of financial terms. Understanding these terms will help you take control of your student loan payments.

Amortization	<p>The time period your loan repayment is spread out over. Standard Alberta student loan amortization periods:</p> <ul style="list-style-type: none"> <li>• 36 months for loans up to \$3,000</li> <li>• 72 months for loans between \$3,001 - \$6,000</li> <li>• 114 months for loans \$6,001 and over</li> </ul>
Accrue	The ability for something to accumulate over time.
Balance	Total amount owing. Balance = Principal + Interest.
Principal	The original sum of money borrowed in a loan, on which interest is charged. As you make payments, your principal goes down.
Interest	The amount paid by a borrower to a lender for the use of money.
Interest Rate	The amount charged by a lender to a borrower for the use of money. Typically expressed as an annual percentage.
Prime Rate	<p>The prime rate is determined by the variable rate of interest for consumer demand loans.</p> <ul style="list-style-type: none"> <li>• Alberta student loans use the prime rate declared by the Canadian Imperial Bank of Commerce (CIBC) + 1%.</li> <li>• Canada student loans uses the prime rates declared by Canada's five largest banks. The Canada Student Loan Program calculates its prime rate by eliminating both the highest and the lowest of the five rates, then calculates the average of the remaining three. The Prime Rate is calculated monthly.</li> </ul>
Fixed Rate	<p>A fixed rate means that the interest rate on your student loan remains the same for the entire repayment term.</p> <p>If you choose a fixed rate, your loans will stay at that rate until they have been paid in full.</p> <p>The fixed rate for Alberta student loans is Prime plus 2%.</p> <p>The fixed rate for Canada student loans is Prime plus 2%.</p>





Floating Rate	An interest rate that moves up or down with the market.
Daily Interest Charge	The amount of interest calculated to accrue on the balance of your student loan on a daily basis, charged monthly.
Repayment Term	The projected period of time (in months) required to repay your loan based on monthly payments being paid on time.
Payment Frequency	How often you are making payments. You are automatically setup with monthly payments. You can request to switch to bi-weekly or weekly payments.
Period of Study End Date	This is your last day of study, confirmed by your school. Your loan status will change to In Grace on the 1st day of the following month.
Default	Your Alberta student loan is in default if your payments are 150 days (5 months) overdue. Defaulted loans are returned to the Government of Alberta and sent to collection agencies for recovery.
Return to Government	When you default on your Alberta student loan, the debt is sent to Service Alberta - Crown Debt Collections. Your debt will be sent to a private collection agency. You will have to make payment arrangements with the collection agency to bring your loan back into good standing.
Good Standing	Your loans are up-to-date with no outstanding payments.
Consumer Debt	Debts that are owed as a result of purchasing goods that are consumable and do not appreciate over time.



# Repayment Essentials

© June 2019 Government of Alberta

