



JUST THE FACTS

11/12

A SHORT GUIDE TO STUDENTS FINANCE



EVERYONE MAKES CHOICES



GERARD



Gerard, 31

“Before applying for college, I never thought about how I was going to pay for it. When I figured out how much it would cost, I went to the financial aid office at my school to ask for help. They were great. It turns out that I qualified for government student funding that covered part of my tuition and books. I had some savings and I’ve lined up a good part-time job during the school year to cover some of my living expenses and other costs. The part-time income will cut back on the amount I have to borrow to get me through the year.”

Naomi, 23

“Without government student loans and grants, I wouldn’t have made it through university. My parents couldn’t afford to help pay for my education, so my summer jobs, student loans and grants, and a scholarship got me through four years. I’m going to graduate with almost \$15,000 in debt which means that I’ll be making loan payments of about \$145 a month. I’m going to wait to buy a car and get my own apartment. It’s not an ideal situation, but my education and my future are definitely worth it.”



NAOMI

Gerard and Naomi have something in common – they both made informed decisions about how they’ll pay for their education.

Paying for a post-secondary education is an investment in your future. When you’re done, you’ll be in a position to get a better job. Over the long term, you’ll earn back your investment many times over.

It’s your education and you’re in control of how you choose to pay for it. You may feel like your choices are limited, but it’s up to you to make sure you’ve explored all the sources of funding available. This book will help you understand your options so that you can make choices you’re comfortable with.

HOW MUCH DOES IT REALLY COST?



Why should you study your options when it comes to paying for your education? Knowing your options and managing your finances is an important part of going to school. It can affect your life every bit as much as your grades.

How much will it cost you to get the education you want? That depends on a number of things such as where you go to school, what kind of school you attend, how long your program lasts and your living costs while you're there.

The chart below shows the typical ranges of costs for one year of post-secondary education, including the cost of living. These estimates are for single students – if you are married/ common law or have children, you'll have higher expenses.

» Estimated Cost per Academic Year

Living with parents
\$7,000 - \$9,000

Living independently
\$12,000 - \$14,000



THERE ARE LOTS OF WAYS TO PAY FOR YOUR EDUCATION



There are lots of different ways to pay for your education. Here are some options to explore:

» Government Student Funding

Federal and Provincial Student Loans

Government sponsored student loans (usually just called student loans) are special loans issued by the provincial and federal governments to cover the basic costs of attending post-secondary education. They're different from loans from banks because government student loans are interest free while you are a full-time student. In other words, you are not required to pay interest on your loans or make payments while you are in school full-time.

When you finish school, you're responsible for paying back the loan and any accumulated interest. You have a six month grace period before you have to start repaying your loans, however, interest begins to accumulate on the outstanding balance of your Alberta and Canada student loans the month after you complete your studies. If you run into trouble during repayment, you may be eligible for repayment assistance.

Federal and Provincial Grant Funding

Your eligibility for federal and provincial grants is automatically assessed from your student funding application. You do not have to submit a separate application.

The Canada Student Grant Program includes a number of grants. There are Canada Student Grants for students from low-income families, students from middle-income families, students with dependants, and students with permanent disabilities.

The Alberta student funding program offers grants for students with high needs, including students who are single parents and students with permanent disabilities. The Alberta government may reduce a portion of your Alberta student loan if you have completed your program, and your combined Alberta and Canada student loans are greater than established debt levels for your program.

» Other sources

Scholarships

Apply for as many different scholarships as you can. Scholarships are monetary awards based on academic excellence in a specific area of study or discipline, or in recognition of other achievements.

Search for over 450 scholarships, grants, bursaries and awards on the **Scholarship Connections** database.

Loans from banks

Loans issued directly from a bank may be an alternative if you do not qualify for government student funding. However, you may need a co-signer for the loan and you usually have to make interest payments on these loans while in school.



ARE YOU ELIGIBLE TO RECEIVE GOVERNMENT FUNDING?



» In order to be eligible to receive full-time loan and grant funding, you must:

- be a resident of Alberta
 - If you are an independent student (see Tip), you are considered to be a resident of Alberta if:
 - » Alberta is the last province you have lived in for 12 consecutive months while not a full-time post-secondary student, or
 - » You are attending school in Alberta and have never lived in any Canadian province for 12 months in a row.
 - If you are a dependent student (see Tip), you are considered to be a resident of Alberta if:
 - » Your parent(s) live in Alberta
- have financial need for funding
- be enrolled as a full-time student taking a minimum 60% of a full course load (40% of a full course load if you are a student with a permanent disability)
- be sure your program and institution has been approved by Alberta

> *TIP: Am I an “independent” or “dependent” student?*

You are considered to be an independent student if:

- *You are over 22 years old, or*
- *You have been out of high school for more than 4 years, or*
- *You have been available for full-time work for two or more years since you left high school, or*
- *You are married or common law, or*
- *You are divorced, separated, or widowed, or*
- *You are single with dependent children*

Otherwise, you are considered to be a dependent student and:

- *You should apply for funding from Alberta if your parent(s) live in Alberta even if you are not studying in Alberta.*

APPLYING FOR GOVERNMENT STUDENT FUNDING



If you're like most students, you'll use more than one source of money to pay for school. If you plan on applying for government student funding, here's what you need to know.

» How can I apply?

There are two ways to apply for funding:

- Apply online. Visit alis.alberta.ca/apply and choose **Online Application**.
- You can apply on a paper application available at the financial aid office at the school you are planning to attend or at your nearest **Alberta Service Centre** or **Canada-Alberta Service Centre**.
- If you are not able to apply online or pick up a paper application, you can also print the application from alis.alberta.ca/forms.

You may be eligible to receive both provincial and federal student funding but you only need to complete one application. Your funding from both governments is calculated automatically.

> *EDULINX is the service provider for your Alberta student loans, on behalf of the Government of Alberta. This means that EDULINX administers your loan payments, correspondence and repayment relating to your Alberta student loans.*

» Show me the \$\$\$

Q: How much will I get?

A: Once you have submitted your application, you may be able to check its status by going to the Online Application link on alis.alberta.ca/apply

After your application is processed, you will receive a Notice of Assessment in the mail telling you the amount of your Alberta and/or Canada students loans and any grants you will receive.

If you think that your student funding won't cover your expenses or if your situation has changed, you can have your application reviewed by submitting a **Change of Circumstance form**.

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> *The National Student Loans Service Centre (NSLSC) is the service provider for your Canada student loans, on behalf of the federal government. This means that the NSLSC administers your loan payments, correspondence and repayment relating to your Canada student loans.*

> *TIP: Your student funding can only be deposited into a Canadian bank account which you hold or jointly hold.*

Q: How do I get my money?

A: Your student funding will be either direct deposited into your bank account or mailed to you.

For Canada Student Loans

If you provide your banking information on the loan certificate, the National Student Loans Service Centre will deposit your funds into your bank account. Your institution may have to sign your loan certificate confirming your enrollment.

If you do not provide your banking information, a cheque will be mailed to you approximately two weeks before the disbursement date on your certificate.

For Alberta Student Loans

When you qualify to receive your first Alberta student loan, you will receive an Alberta Student Loan Agreement in the mail about two weeks before the disbursement date on your agreement. Your institution may have to sign your loan agreement confirming your enrollment.

Once you cash your first agreement, any future Alberta student loans may be automatically deposited into your bank account or mailed to you as a cheque.



» Basic cost of living

Not all costs are covered by government student funding. There is a standard budget for basic monthly living costs used by Students Finance to assess your application. If your basic monthly living costs are higher than these amounts, tell us about your special circumstances to justify your higher costs. You must submit your receipts.

Your household status	Monthly Total
No dependent children	
Single and living with parent(s)	\$432
Single and living independently	\$941
Married/Common law	\$2,004
Separated/Divorced/Widowed	\$941
With dependent children*	
Single: 1 child	\$1,710
Single: 2 children	\$2,159
Single: 3 children	\$2,608
Married/Common Law: 1 child	\$2,453
Married/Common Law: 2 children	\$2,902
Married/Common Law: 3 children	\$3,351
Separated/Divorced/Widowed: 1 child	\$1,710
Separated/Divorced/Widowed: 2 children	\$2,159
Separated/Divorced/Widowed: 3 children	\$2,608
Each additional child add	\$449

> **Dependent children means those children who are living with you and for whom you and/or your spouse/partner are legally responsible.*

Monthly child care costs for children under 12 years of age

- Allowable child care cost is \$75 per month per child without receipts
- Actual child care costs after subsidy may be considered with receipts up to a maximum of \$530 per month per child.

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Q: Will money be sent directly to my school?

A: Yes, if your educational institution requested that tuition fees be paid directly to them from your loan.

- Go to canlearn.ca to find out the amount of your Canada student loan that has been paid to the school.
- Go to edulinx.ca to find out the amount of your Alberta student loan that has been paid to the school.

If you disagree with the tuition amount that your school has requested, you must negotiate with them directly.

» Have questions? Ask for help!

Alberta student funding:

- EDULINX (Alberta student loan service provider):
 - Toll free at 1-866-827-0310, Monday to Friday, 7:30 a.m. to 8:30 p.m. your local time, within North America
 - TTY: 1-866-587-1853
- the Awards Officer at your post-secondary institution
- our website at alis.alberta.ca/studentsfinance
- the Student Funding Contact Centre: in Edmonton at 780-427-3722 or toll free in Canada at 1-800-222-6485
- e-mail the Student Funding Contact Centre using the secure **e-Contact** service
- your nearest Alberta Service Centre or Canada-Alberta Service Centre

Canada student funding:

National Student Loans Service Centre at:

- Toll Free: 1-888-815-4514 (within North America)
- TTY: 1-888-815-4556
- Countries outside of North America: dial international access code + 800 2 225-2501 (toll free)
- Countries outside of North America without an international access code: call the Canadian operator at 800 0800 096 0634, then call collect 905-306-2950
- visit canlearn.ca

» EDULINX Website Service for Students

EDULINX has a secure, self-serve website that allows you to access and view information on your direct Alberta student loans only. The website at edulinx.ca allows you to:

- complete online **Entrance and Exit Counselling** sessions to learn about your student loans
- update your personal contact information
- determine if your current **cash**ed Alberta Student Loan funds have been either:
 - deposited into your bank account, or
 - mailed to you as a cheque
- review your direct Alberta student loan account, balance and other details
- complete online Revision of Terms, change your payment amount, payment term and/or payment date
- obtain your previously cashed Alberta student loan agreement numbers from your student profile
- If you have any questions regarding this website, please contact the EDULINX On-Line Services Help Line at 1-866-852-5629 or visit edulinx.ca.

> How Much?

The formula that decides the student funding you get is simple:

Your allowable expenses – your resources = your assistance (loans + grants)





REPAYING YOUR STUDENT LOAN – NOT AS HARD AS YOU THINK

» The six most important months of your loan

You do not have to make any payments on your student loans while you are a full-time student. After you leave full-time studies, whether you graduate or not, you have six months before you have to start repaying your loans. However, interest will start to accumulate on the outstanding balance.

> A tool to help you

If you take a break from full-time studies for parental leave, you may apply for interest free status on your Alberta student loans.

» Just the numbers

If you borrow money, here's the bottom line when it comes time to pay it back:

Size of Student Loan	\$10,000	\$15,000	\$25,000
Monthly payment* (for 5 yrs)	\$180	\$270	\$450
Interest paid over 5 yrs	\$781	\$1,172	\$1,953
Monthly payment* (for 10 yrs)	\$97	\$145	\$241
Interest paid over 10 yrs	\$1,587	\$2,381	\$3,968

*Assumes an interest rate of 3 per cent

> Who do I pay?

Most students receive both provincial and federal loans. That means you may have to make separate payments to:

- EDULINX, student loan service provider for your Alberta student loan, and
- National Student Loans Service Centre, student loan service provider for your Canada student loan

» What if I received student loans from a bank?

If you received Alberta and/or Canada student loans from a bank, remember that these loans stay with and are repaid to the bank holding that loan.

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THE FIVE MOST IMPORTANT MINUTES OF YOUR FINANCIAL YEAR

If you are a continuing full-time student with previous student loans and if you are not getting another student loan this year, you have to fill out one form to keep your loans in interest-free status:

- Complete **Schedule 2** if you only have a previous Canada student loan
- Complete **Form B** if you only have a previous Alberta student loan
- Complete **Form B** if you have both previous Canada and Alberta student loans

You can get both forms at your school's financial aid office or print them from alis.alberta.ca/forms. Send these forms to EDULINX and/or the National Student Loans Service Centre. You will not have to make payments while you are in school full-time. Five minutes of paperwork is worth it!



HELP DURING REPAYMENT

When you're starting out, the path isn't always smooth. If you don't think you'll be able to make your loan payments, don't panic. There is repayment assistance in place to help you get through the rough spots. The key is to keep in touch with EDULINX, the National Student Loans Service Centre, and/or your lending institution so they understand your situation.

» Repayment Assistance Plan (RAP)

What is RAP?

The Repayment Assistance Plan is offered for both Canada and Alberta student loans. The plan provides you with short-term assistance if you have temporary financial challenges and long-term support if you have persistent financial challenges. Under RAP:

- you may only have to make a monthly affordable payment that is based on your income and family size
- you may not have to make any monthly payments if your income is low
- your repayment period will not last more than 15 years after you stop being a student (and not more than 10 years if you are a borrower with a permanent disability)

How do I apply for RAP?

You can apply for RAP at any time during your repayment term. If you are approved for RAP on your Canada student loans, you are automatically approved for RAP on your Alberta student loans. Here's how it works:

- If you have both Alberta and Canada student loans, you will submit only one application to the National Student Loans Service Centre (NSLSC). The NSLSC processes the application for RAP on your Canada student loans and then forwards the application to EDULINX who processes the application for RAP on your Alberta student loans
- If you have only Alberta student loans, you will submit your application only to EDULINX
- RAP is approved for a six month period. If you want to continue to receive RAP, you must submit a new application every six months

What are the eligibility requirements for RAP?

To be eligible for RAP:

- your loan must be in repayment status
- you must meet the financial eligibility requirements for RAP
- your loan must be in good standing with EDULINX, the NSLSC and/or your lending institution
- your loan must not have been included in a bankruptcy
- you must not have missed previous RAP payments

RAP information for borrowers with a permanent disability

If you have a permanent disability, you will be considered for RAP-PD (Repayment Assistance Plan for Borrowers with a Permanent Disability). Under RAP-PD:

- you must meet the basic RAP eligibility requirements
- if you received disability grants as a student, you are automatically considered for RAP-PD
- if you did not receive disability grants as a student, you will have to provide proof of your permanent disability by providing appropriate documentation from your doctor and proof of income
- your additional living costs due to your permanent disability may be considered in your application

> *TIP: If you have missed payments, you can bring your loan into good standing by applying for RAP because RAP can be backdated up to six (6) months and/or interest can be capitalized up to three (3) months.*

» Revision of terms

If you're having trouble making your Alberta and/or Canada student loan payments, you can revise the terms of your loan so that you can make smaller monthly payments over a longer period of time.

Of course, you can also do the reverse and make higher monthly payments to pay off your loan faster.

If you decide to change your payment amount, payment term, or payment date of your Alberta student loan, go online to edulinx.ca or talk to EDULINX. If you decide to change the repayment terms of your Canada student loan, go online to canlearn.ca or call the National Student Loans Service Centre. If your loans are with a lending institution, contact them directly.

