

STUDENT LOANS FOR POST-SECONDARY EDUCATION

(Note: Applications for Fall 2012 will be available in early June 2012)

Both Canada and Alberta Student Loans are processed using **one application**. However, these are two separate loans, meaning you will need to cash in and eventually pay back both a Federal (60%) and Provincial (40%) government loan separately. **These are not Bank loans!**

Two Application Choices

Do not apply both online and on paper! This will cancel both applications.

Online Applications can be found at <http://alis.alberta.ca/hs/fo/funding-post-sec.html>

- Online applications **offer immediate “real-time” information** on the dollar amounts you should expect as a loan
- Make sure you apply for the application start date of “*August 1, 2012 or later*”
- If you apply online, you will receive a *Declaration and Consent* form that **MUST** be signed and returned immediately to release your loan

Paper Applications can be picked up in Student Services, Room 164

- Paper applications **take 3-4 weeks to process** and should only be used if supporting documents and/or special circumstances need to be considered
- If you have received any previous Full-Time or Part-Time Bursary/Grant funding, you **MUST** use a paper application

Once Student Finance has reviewed your application, you will receive a **Notice of Assessment** letter showing the amount of your award and the date you will receive your Loan Agreements.

If you apply **on paper**, take both your *Alberta Student Loan Agreement and Canada Certificate of Eligibility (see below)* to the **Registrar** of the post-secondary institution you will be attending to confirm your full-time enrollment. If you **apply online**, you do not need to do this step.

Receiving & Cashing Your Alberta Student Loan Agreements

- If you are eligible for an **Alberta Student Loan**, you will receive, by mid to late August, an *Alberta Student Loan Agreement* that must be cashed through **EDULINX** (Alberta's student loan service provider)
- During peak enrollment periods, **EDULINX** will be located on most major campuses to accept Alberta Student Loan Agreements
- Students can also mail their *Alberta Student Loan Agreement* directly to **EDULINX**
- **EDULINX** will do a direct deposit (if you supply a VOID cheque) or issue a cheque to the student. Typically your loan will be divided into two disbursements: one in September and another in January

To contact **EDULINX** go to www.edulinx.ca or call 1-866-852-5629

Receiving & Cashing Your Canada Student Loan Certificate

- If you are eligible for a **Canada Student Loan**, you will receive, by mid to late August, a *Certificate of Eligibility* and a *Canada Student Loan Agreement* that must be cashed through the **National Student Loans Service Centre**
- During peak enrollment periods, the **National Student Loan Service Centre** will be located on most major campuses to accept *Canada Student Loan Certificates*. Remember to bring picture ID, your Social Insurance Card, bank account information and a void cheque
- Students can also drop off their *Canada Student Loan Certificate* to a designated Canada Post outlet who will then forward your application to the **National Student Loan Service Centre** to be processed

To contact the NSLC go to www.canlearn.ca or call 1-888-815-4514

The post-secondary institute may request that tuition payments be sent directly to them. If so, the tuition will be deducted from your loan and the balance will be automatically deposited into your bank account (if you attach a void cheque). This money will not appear in your account until the first day of classes. In many cases the money will not be paid to the institute until mid September, so don't panic.

IMPORTANT INFORMATION

- You can apply for a loan before being accepted into your program, but you must be registered as a full-time student to receive the funding
- The maximum yearly loan limit is **\$13,300** (average tuition is \$5,600), so budget wisely
- The maximum lifetime undergraduate loan limit is **\$60,000**
- No payments or interest accumulation will occur while you are a full-time student
- **Parental income** is used to assess loan eligibility for "Dependent" students
 - If you have been out of high school for four years or less, your parents are expected to help pay for your education. If during those four years you have been working or were available to work (full-time) for two years, your parents do not need to provide financial support
 - Go to www.canlearn.ca and click on "student loans, grants, and scholarships" on the left side to get an estimate of what your parents may be expected to contribute

Parental Contribution Example

A family of four with a combined parental income of \$100,000 with one child in University will be expected to contribute \$1,059 per year. Combined income of \$80,000 only requires your parents to pay \$176 per year.

- **Students attending more than one institute** (excluding upgrading) must verify "full-time" status by submitting documentation from each institution. One of the institutes must take responsibility for signing the student's funding documents (paper form). This is usually the institute where the student is enrolled in the majority of their courses
- **Students studying outside of Canada** need to meet specific requirements to be eligible for an Alberta Student Loan. If these requirements are not met, you may only be eligible for a Canada Student Loan
- **Students studying outside of Alberta** are still eligible for both Alberta and Canada Student Loans
- The **Alberta Loan Relief** (\$ subtracted from your AB Loan) program may repay part of your overall combined Alberta/Canada Student Loans if you exceed the minimum debt level of your program

Student Loans FAQ'S 2012

Compiled from www.canlearn.ca (FAQ's)

1. What's the average cost of tuition?

Depending on the school or program, tuition can cost between \$2,500 and \$8,000 a year or more. The average cost in Alberta is \$5,600 per year. Residence fees can double or triple the total cost of post-secondary education.

2. Will student loans cover all of my schooling costs?

Government student loan programs are designed to help cover your costs while you are in school, but are awarded on the basis of financial need. Depending on your assessment, you may still need other sources of money (your job earnings, parental contributions, student line of credit from any major bank) to cover the total cost of school/living expenses.

3. Can only students with high marks apply for scholarships, bursaries & grants?

While many scholarships are based on excellence in a particular area such as academics, entrepreneurship or sports, some are not. Many grants and bursaries (money you do not pay back) are awarded on the basis of financial need. Last year over 70,000 Alberta students received over \$418 million in federal/provincial loans, scholarships, grants and bursaries.

Note that scholarship dollars are now exempt from your student loan calculation.

4. How do I know how much money I am eligible to receive in student loans?

Go to www.canlearn.ca and click on "student loans, grants, and scholarships" on the left side, and then under "Useful Links" to find the "*student financial assistance estimator*" page.

5. How much money does the government assume my parents or legal guardians will contribute to my education?

Go to www.canlearn.ca and click on "student loans, grants, and scholarships" on the left side, then type "**parental contribution calculator**" in the *search box* to get an estimate of the amount that the government assumes your parents or guardians will contribute to your education if you are a "**dependent**" student. A **dependent** student is defined as someone who has been out of high school for four years or less, unless you have been working for two full years.

Your parents are NOT expected to help pay for your education if during the four years you have been out of high school, you have been working or available to work full-time for two years.

6. How long do government student loans take to process?

Normally, it takes approximately 4 to 6 weeks for a paper application to be assessed. Online applications are processed immediately. Actual payment of monies does not get directly dispursed to the University/College and your bank account until September.

7. Am I eligible to receive student loans if I'm planning to study abroad?

It is possible to obtain a full-time Canada Student Loan to attend a post-secondary institution outside of Canada. You must first contact the **Alberta Student Funding Contact Centre at 1-800-222-6485** to determine whether the institution you wish to attend is recognized as a "designated institute".

8. Do I receive all my money from student loans at the beginning of the school year?

While there are exceptions, you normally get two disbursements of money in a year, depending on when you apply: one during your first semester (September) and one during your second semester (January).

9. Do I only apply once for a student loan while I'm at school?

For most programs, you must apply every year to be considered for a loan.

10. Is interest charged on my loan while I'm in school?

A. Full-time students: Government student loan programs **don't charge interest until you have left school**. Interest accumulates (builds up) from the month after you leave school, but payments are only required 6 months after that date. This is why it's important to tell your loan providers that you are returning to school each year. Otherwise, they may contact you to have you start repaying your loan before you have finished school. The current interest rate for Alberta Student Loans is the Bank's Prime Rate plus 2%. For Canada Student Loans the rate is Prime plus 5%.

B. Part-time students: Interest does accumulate (builds up) and must be paid on part-time Canada Student Loans while you're in school.

11. Should I max out all my loans even if I don't need them?

No! Only take out what you absolutely need to cover your tuition and living costs. Remember the rule of thumb is to expect to pay off your loans within 10 years. In order to know if you can comfortably pay your loans off in 10 years, try not to take on more than what you think you will earn each year after graduation. i.e., if you owe \$30,000 in loans, you will need to earn \$40,000 to comfortably pay them off over 10 years.

12. When do I have to start repaying my student loan?

Whether you graduate or not, you must pay back your student loan. Normally, payments will be required 6 months after you have left school.

13. Do I have to wait until the end of my schooling to start paying off my loan?

No. You can start making payments while in school. These payments go directly towards the principal of your loan, which will decrease your overall debt more quickly.