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CANADA STUDENT LOANS PROGRAM
ANNUAL REPORT
2011-2012

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MESSAGE FROM THE MINISTER

As the Minister of Employment and Social Development and Minister for Multiculturalism, I am pleased to present the Canada Student Loans Program Annual Report for 2011-2012.

Post-secondary education is integral to Canada's economic growth and future prosperity. Today, there are too many employers who cannot find employees with the right skills and qualifications, while too many Canadians are looking for work. That's why the Government continues to enhance student financial assistance to ensure post-secondary education is accessible for all Canadians, and they can get the skills and qualifications needed to secure gainful employment.



In 2011-2012, more than half a million Canadians received direct financial support from the Canada Student Loans Program to help them pursue their post-secondary education. Over \$2.4 billion in loans to post-secondary students were provided. Of these, nearly 6 500 part-time students received loans, a 63% increase from the previous year.

Over 336 000 full-time and part-time students obtained Canada Student Grants, for a total of \$647 million. These grants provide up-front, non-repayable financial assistance to low- and middle-income students, students with permanent disabilities, and students with dependants. In 2011-2012, we issued 389 395 grants to Canadians. This is a record number and represents an increase of 378% since 2005.

To help Canadians get a good start in their work lives, the Government has also introduced measures to minimize student debt.

Since April 2013, family doctors, nurses, nurse practitioners and family medicine residents in more than 4 200 designated rural and remote communities across Canada can apply for Canada Student Loan forgiveness. In addition, part-time students are no longer charged interest on their loans while they study.

For borrowers having difficulty making their payments, the Repayment Assistance Plan helped almost 185 000 students in repaying their loans in 2011-2012.

Earlier this year, the Government also adjusted the low- and middle-income thresholds used to assess eligibility for Canada Student Grants and part-time Canada Student Loans and Grants. This change will allow more students to qualify for financial assistance to pursue education and skills training.

As this report demonstrates, the Canada Student Loans Program continues to play a key role in supporting Canadians in meeting their education and career goals.

Through Economic Action Plan 2013 and support for post-secondary education, the Government is helping to equip Canadians with the right education, skills and training to find good jobs, succeed in the workforce and contribute to their families and communities.

A handwritten signature in blue ink, which appears to read "Jason Kenney". The signature is stylized and written over the printed name and title below it.

The Honourable Jason Kenney, P.C., M.P.
Minister of Employment and Social Development and Minister for Multiculturalism



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INTRODUCTION

This annual report is designed to inform Parliament and Canadians about student financial assistance for post-secondary education under the Canada Student Loans Program (CSLP) for the 2011–2012 loan year (August 1, 2011, to July 31, 2012). The report includes key information and data on loans, grants and repayment assistance during this period.

In addition to this report, the CSLP also has more detailed information in the form of an online statistical review which includes historical data on federal student financial assistance over the years. The review is available on the Human Resources and Skills Development Canada (HRSDC) website at www.hrsdc.gc.ca/eng/jobs/student/reports/index.shtml.



VISION AND MISSION

Human Resources and Skills Development Canada

HRSDC's mission is to build a stronger and more competitive Canada, to support Canadians in making choices that help them live productive and rewarding lives, and to improve Canadians' quality of life.

To do this, we:

- develop policies that make Canada a society in which all can use their talents, skills and resources to participate in learning, work and their community;
- create programs and support initiatives that help Canadians move through life's transitions— from families with children to seniors, from school to work, from one job to another, from unemployment to employment, from the workforce to retirement;
- create better outcomes for Canadians through service excellence with Service Canada and other partners; and
- engage our employees, establish a healthy work environment, nurture a culture of teamwork, and build our leadership capacity.

We are committed to excellence in what we do:

- For People – As we serve Canadians with a focus on accountability and results.
- Through Partnerships – As we work with Canadians to find innovative ways to develop and deliver the policies and programs they need.
- Through Knowledge – Generating, contributing, and sharing knowledge effectively to support and inform decision-making.

Canada Student Loans Program

The CSLP promotes accessibility to post-secondary education (PSE) for students who demonstrate financial need. The CSLP reduces financial barriers through the provision of loans and grants, thereby ensuring that Canadians have an opportunity to gain the knowledge and skills required for successful participation in the economy and society.



PROGRAM HIGHLIGHTS

Enhanced support for students

In 2011–2012, Canadian post-secondary students continued to benefit from a number of program enhancements which were introduced in recent years.

These include:

- Canada Student Grants (CSG), which provide more effective support to more students for more years of study, assisting Canadian families with the cost of higher education and making education more accessible to lower- and middle-income families;
- the Repayment Assistance Plan (RAP), which makes it easier for borrowers to manage their debt by paying back what they can reasonably afford; and
- improved support for students with permanent disabilities that provide for:
 - recognition of previous assessments of permanent disabilities in determining eligibility for debt management measures;
 - a RAP specifically designed for those with permanent disabilities; and
 - access to compassionate cancellation of loans due to severe permanent disability.



Canada Student Grants

- In 2011–2012, over 336 000 students received financial assistance in the form of non-repayable grants, for a total value of \$647 million.
 - This includes approximately 9 000 grants to support part-time studies for a total value of \$9.99 million.
- This represents an increase of approximately \$17 million in grants distributed to students as compared to in 2010–2011.

Canada Student Loans

- In 2011–2012, the Canada Student Loans Program (CSLP) provided approximately 447 000 full-time students from the ten participating jurisdictions with \$2.4 billion in loans¹. This represents approximately 35% of the total number of full-time post-secondary students in these jurisdictions.
- Nearly 6 500 part-time students received loans in 2011–2012, for a total value of \$11.2 million. As a result of new measures supporting part-time studies implemented in 2009, the number of these loans continued to increase at a significant rate, more than doubling since 2009–2010.

¹ Participating jurisdictions refers to all provinces and territories except for Quebec, the Northwest Territories and Nunavut.

Repayment Assistance Plan

- While the vast majority of borrowers repay their loans in full and on time, some require assistance. Under the RAP, the CSLP supported nearly 185 000 borrowers who experienced difficulty repaying their loans in 2011–2012.

Support for students with permanent disabilities

- In 2011–2012, the CSLP disbursed nearly 31 000 Canada Student Grants for Students with Permanent Disabilities (including the Grant for Services and Equipment for Students with Permanent Disabilities) and approved over 9 000 applications under the Repayment Assistance Plan for Borrowers with a Permanent Disability (RAP-PD).
- 418 borrowers received the Severe Permanent Disability Benefit whereby their loan obligations were cancelled, at a total value of \$6.4 million.



Further program enhancements

Reflecting recent Budget commitments, additional enhancements will provide support as follows:

For full-time students:

- Forgiving a portion of Canada Student Loans (CSL) for new family doctors, residents in family medicine, nurse practitioners and nurses who work in underserved rural or remote communities including communities that provide health services to First Nations and Inuit populations.

For part-time students:

- Increasing the income thresholds used to assess eligibility for part-time CSLs and Grants:
 - Aligning the income eligibility thresholds for part-time CSLs with the threshold used in calculating eligibility for full-time students for the middle-income grant.
 - Aligning the income eligibility thresholds for part-time CSGs with the threshold used in calculating eligibility for full-time students for the low-income grant.
 - Eliminating the interest on part-time loans while in-study.



SETTING THE CONTEXT

The CSLP offers a suite of student financial assistance programs and services, including:

- Canada Student Loans;
- Canada Student Grants; and
- the Repayment Assistance Plan.

The Government of Canada pays the interest on student loans while borrowers are in school. Loan repayment is not required until six months following completion of studies.

CSGs are a non-repayable form of assistance made available to students from low and middle-income families, students with permanent disabilities and students with dependants.

The CSLP's RAP supports borrowers facing challenges in meeting the terms of their repayment agreements.

Direct government financing and portfolio growth

2011–2012 marked the 11th year of direct financing under the CSLP. For more than a decade now the Government of Canada has provided student financial assistance directly to borrowers, unlike earlier CSLP lending regimes that were administered by financial institutions.

Under direct lending, the Government of Canada fully administers the CSLP, contracting with a private sector service provider, operating as the National Student Loans Service Centre (NSLSC), to manage student loan accounts through all phases of the borrowing lifecycle, from disbursement to repayment.

The size of the direct loan portfolio has grown substantially during the past decade, with increasing numbers of students receiving loans and grants each year to support the costs of their post-secondary studies. In 2011–2012, the direct loan portfolio reached approximately \$13 billion, significantly higher than the portfolio size of nearly \$3 billion at the outset of direct lending in 2001–2002.

Working with partners

The Government of Canada works in close partnership with participating provincial and territorial governments² to deliver student financial assistance to Canadian students. Applicants in participating jurisdictions are assessed for both federal and provincial loans and grants through a single application process. For students in full-time study, roughly 60% of their assessed financial need is funded by the Government of Canada.

² Quebec, Nunavut and the Northwest Territories do not participate in the CSLP, but receive alternative payments from the Government of Canada to operate their own student financial assistance programs.



Among key enhancements implemented during the period of direct lending are agreements between the Government of Canada and various provinces which significantly simplify the borrowing experience for students by providing them with a single loan product. Students in integrated provinces (British Columbia, Saskatchewan, Ontario, New Brunswick, and Newfoundland and Labrador) no longer have to manage two separate (federal and provincial) loan accounts.

Students in these five jurisdictions, comprising more than 80% of CSL borrowers, benefit from a single, seamless loan process. As the federal and provincial portions of their loans are fully integrated and administered under one account, students deal with the NSLSC as their single point of contact from loan disbursement to repayment.

Service delivery

The CSLP continues to work to streamline and to modernize the Program, and to improve service for students. In collaboration with provincial/territorial partners, the CSLP is working towards implementing a service delivery vision, aimed at providing students with simple, easy-to-manage access to financial assistance. Measures include improved online services, simplified application and repayment processes, and improved communication with students.

Through various outreach initiatives, the CSLP informs students and families of the costs and benefits associated with PSE, as well as

financing options available. The CSLP also works to improve awareness of the Government's programs for students who have traditionally faced barriers in accessing PSE.

The CSLP's main information dissemination tool is the CanLearn.ca website, which is the Government of Canada's online source for information aimed at helping Canadians save, plan and pay for PSE. The website is a comprehensive information portal of various tools and resources, including financial assistance calculators as well as databases on academic programs and scholarships.

CanLearn.ca also links directly to the website of the NSLSC, which provides students with secure online access to their student loan accounts. This enables them to view and monitor all details of their loan information.

The CSLP recognizes the importance of ensuring that Canadians pursuing higher education are fully aware of the availability, benefits and requirements of student financial assistance. In efforts to inform students and their families on how to plan and pay for PSE, the Program undertakes outreach activities mainly through web-based communications, and by occasionally participating in presentation and exhibit events, and publishing reference materials.

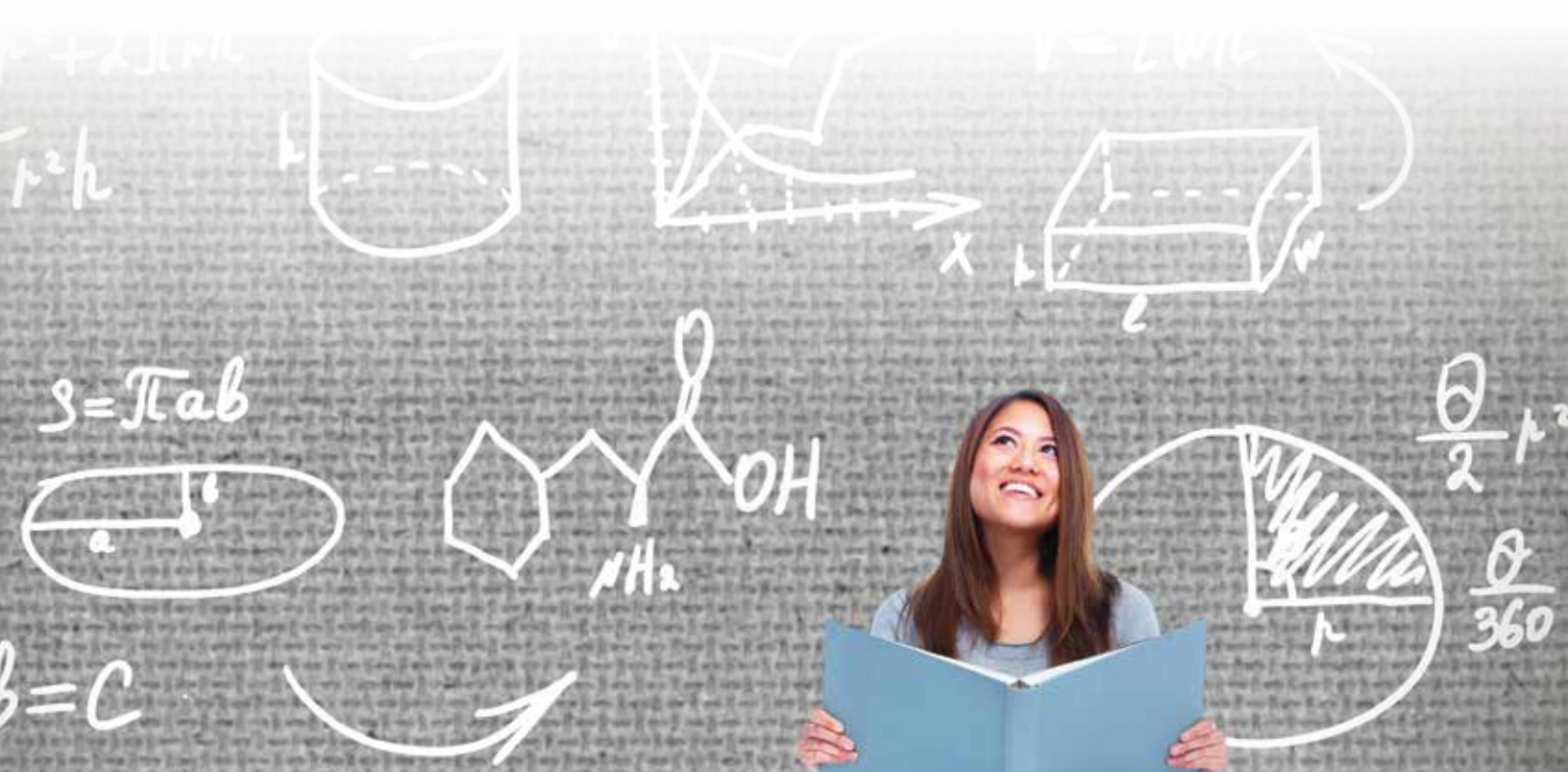


Enhanced support under the Canada Student Loans Program

The Government of Canada recognizes the importance of ensuring that student financial assistance (SFA) addresses the diverse needs of today's post-secondary student population. As such, enhancements have been made in recent years to various components of the CSLP, including need assessment, CSGs,

repayment assistance, support for students with permanent disabilities, as well as support for part-time studies.

Further details on these initiatives are included in this Report and demonstrate the relevance of the CSLP in helping Canadians achieve their higher education goals and, ultimately, succeed as contributing members of a productive workforce.



PROGRAM RESULTS

In 2011-2012, approximately 563 200 students received a full-time loan, grant or interest subsidy from the Government of Canada through the CSLP.

This section provides further details on these beneficiaries and the levels of financial assistance provided in the form of grants and loans. Also included is information about loan recipients who began repaying in 2011–2012.



A. Canada Student Grants

CSGs are designed so that students know up front how much money they will receive and when—a significant departure from the previous, less predictable granting system. Grants for low- and middle-income families are no longer based on the size of a student's loan, but on family income, which better reflects the particular financial circumstances facing the borrower. Students' eligibility for a CSG is assessed at the time the student applies for provincial/territorial assistance.

Students from low- and middle-income families qualify based on a set of defined income levels (the low- and middle-income thresholds are adjusted to reflect the cost of living in each province and for different family sizes).

The Program provides \$250 each month in grants for students from low-income families and \$100 each month for students from middle-income families. The Program also provides full-time low-income students with dependants an additional grant that provides more up-front money (\$200 per month for each dependant under 12, or a dependant with a permanent disability who is 12 or older).

CSGs are also available for students with permanent disabilities. These students may receive a grant of \$2,000 per academic year. Additional funding up to \$8,000 is also available for those who require special services or equipment. To be assessed for these grants, students provide documentation regarding their disabilities when they apply for a CSL.

In 2011–2012, 389 395 grants were provided to 336 173 students, which is an increase of approximately 5% as compared to the number of students who received grants in 2010–2011.

The following table summarizes the distribution of each type of grant provided in 2011–2012^T. It should be noted that a student may receive more than one grant.

Type of Grants*	2010–2011		2011–2012	
	Number of Grants	Value of Grants (\$million)	Number of Grants	Value of Grants (\$million)
Full-Time Studies				
Students from low-income families	206 001	\$385.9	218 837	\$410.4
Students from middle-income families	87 604	\$64.7	89 076	\$65.7
Full-time students with dependants	33 733	\$79.9	36 596	\$87.2
Students with permanent disabilities	20 613	\$38.6	22 881	\$42.7
Students with permanent disabilities – equipment and services	8 876	\$23.7	7 753	\$20.5
Transition grants**	15 884	\$24.0	4 365	\$6.2
Millennium Excellence Awards	1 162	\$6.5	768	\$4.0
Total full-time grants	373 873	\$623.2	380 276	\$636.7
Part-Time Studies				
Part time students	6 186	\$6.7	8 802	\$9.68
Part time students with dependants	162	\$0.2	317	\$0.31
Total part-time grants	6 348	6.9	9 119	\$9.99
Total Number of Grants***	380 221	\$630.0	389 395	\$646.7
Total Unique Grant Recipients***	320 154	\$630.0	336 173	\$646.7

^T Totals reflect data values that are rounded.

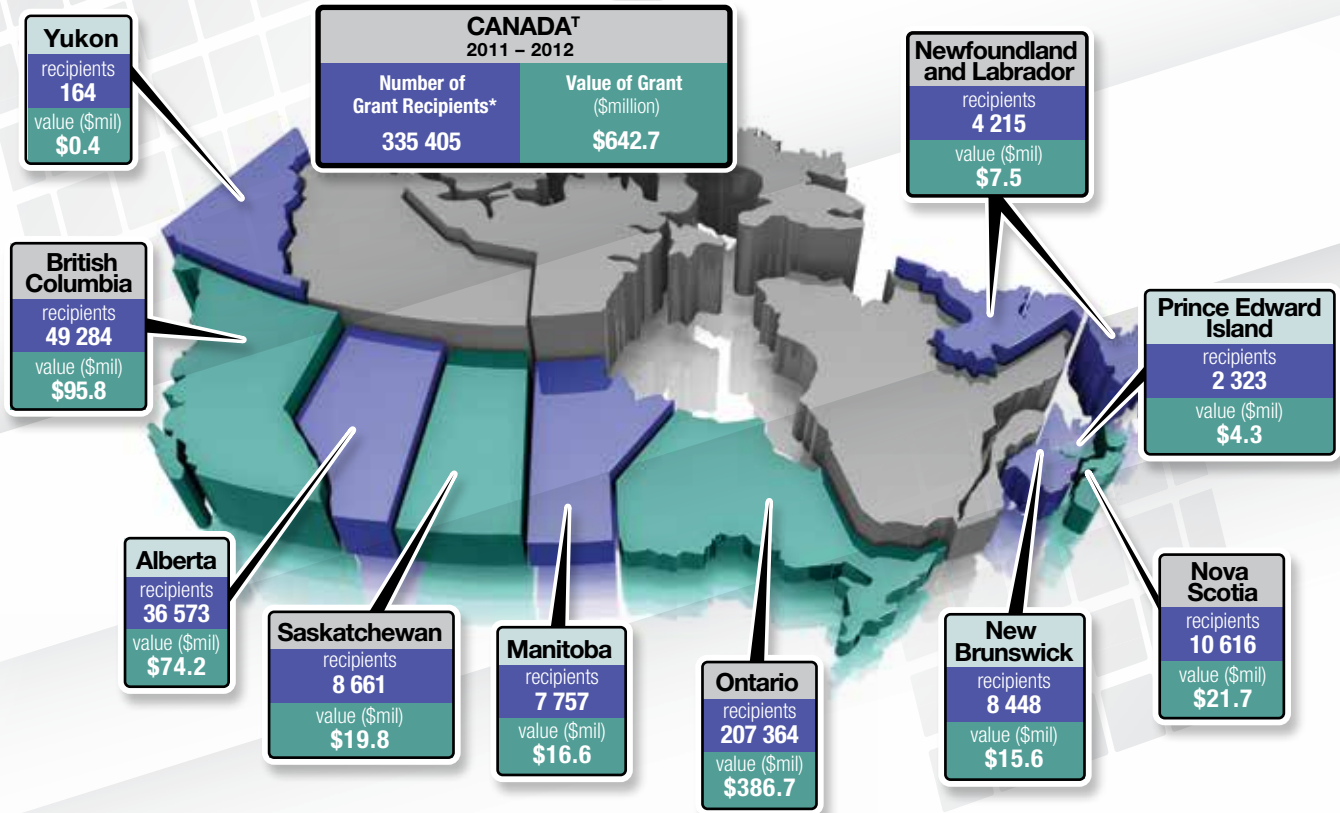
* Refer to Glossary for a description of each type of grant.

** Transition grants are provided to students who received funding from the Canada Millennium Scholarship Foundation (CMSF). The decreased level of support in 2011–2012 is the result of these grants gradually being phased-out as students complete their study programs. See Appendix A for further details on transitional support for students as a result of the wind-down of CMSF.

*** The total number of grants is greater than the total number of grant recipients because some students received more than one type of grant.

Grant disbursement by province / territory[†]

The table below illustrates the distribution of CSGs by province and territory for 2011–2012.



[†] Quebec, Nunavut and the Northwest Territories do not participate in the CSLP, but receive alternative payments from the Government of Canada to operate their own student financial assistance programs.

* The numbers for grant recipients in each jurisdiction include all types of grants offered through the CSLP, except for the Millennium Excellence Awards, for which the provincial breakdown is unavailable.

B. Canada Student Loans

CSLs are available for eligible Canadian students enrolled in a degree, diploma or certificate program at any designated post-secondary educational institution. To be eligible, a student must reside in a province or territory that issues CSLs.

Support for full-time studies

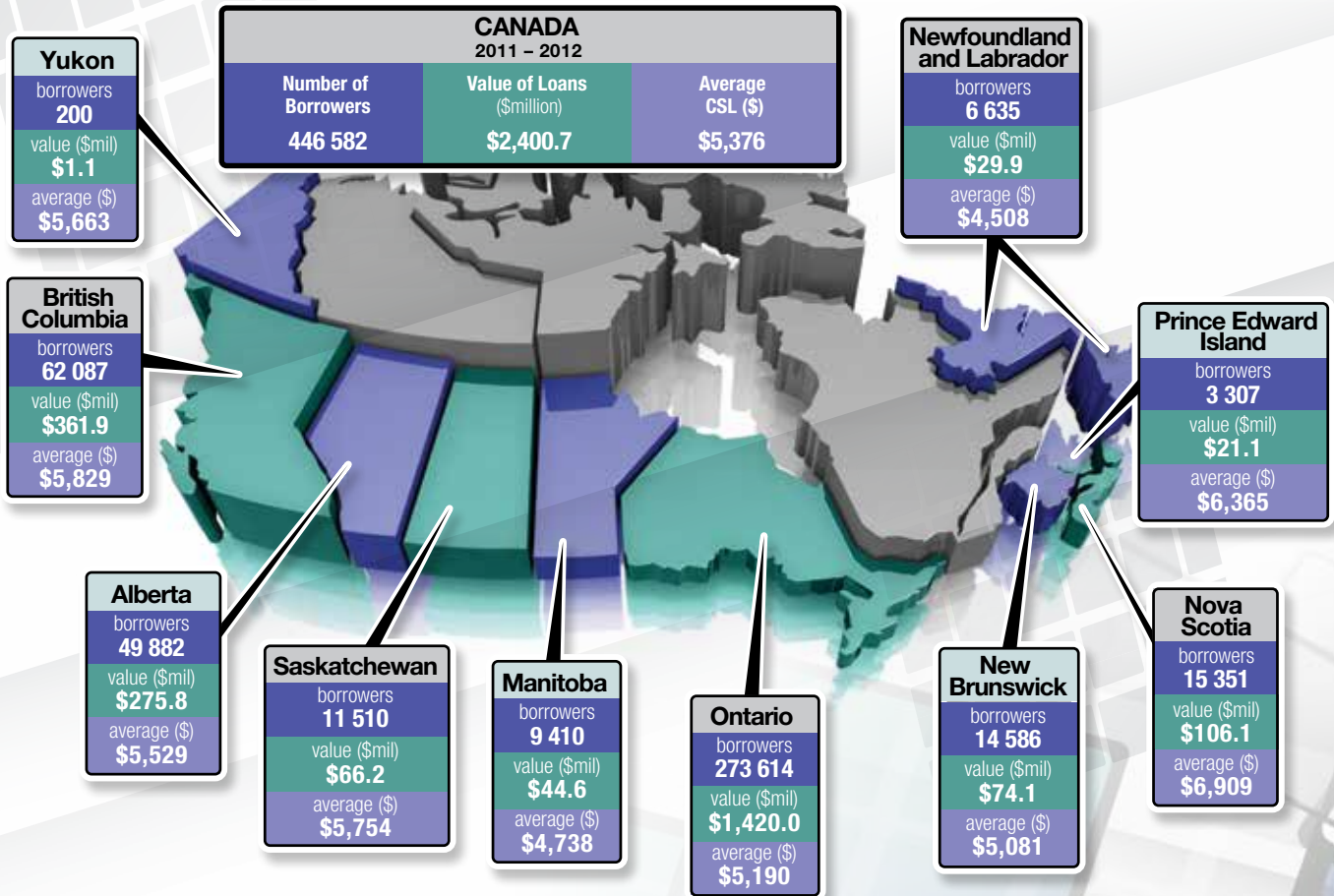
CSL recipients are provided with interest subsidies, whereby the Government of Canada pays the interest on their loans while they are enrolled in school.

In 2011–2012, the CSLP provided \$2.4 billion in loans for full-time studies to approximately 447 000 students. This is an increase of approximately 5% in the number of full-time students who received CSLs in 2010–2011.

In 2011–2012, over half of full-time CSLs were disbursed to students from Ontario (61%), while 14% went to students from British Columbia, the next largest participating province. The increase in number of CSL recipients was highest in Saskatchewan and Alberta which increased by 7%.

Full-time loan disbursement by province / territory

The following table provides a provincial/territorial breakdown of CSLs for full-time students in 2011–2012:



The average CSL of \$5,376 per recipient in 2011–2012 was slightly higher than in the previous two years (\$5,226 in 2010–2011, and \$5,186 in 2009–2010). This figure does not include the amount of provincial or territorial assistance a student may have also received.

In 2011–2012, students from Nova Scotia had the highest average CSL amount (\$6,909), while those in Newfoundland and Labrador and Manitoba borrowed, on average, the least (\$4,508 and \$4,738, respectively).

Where do borrowers go to school?

While most students remain in their home province or territory, some choose to study elsewhere.

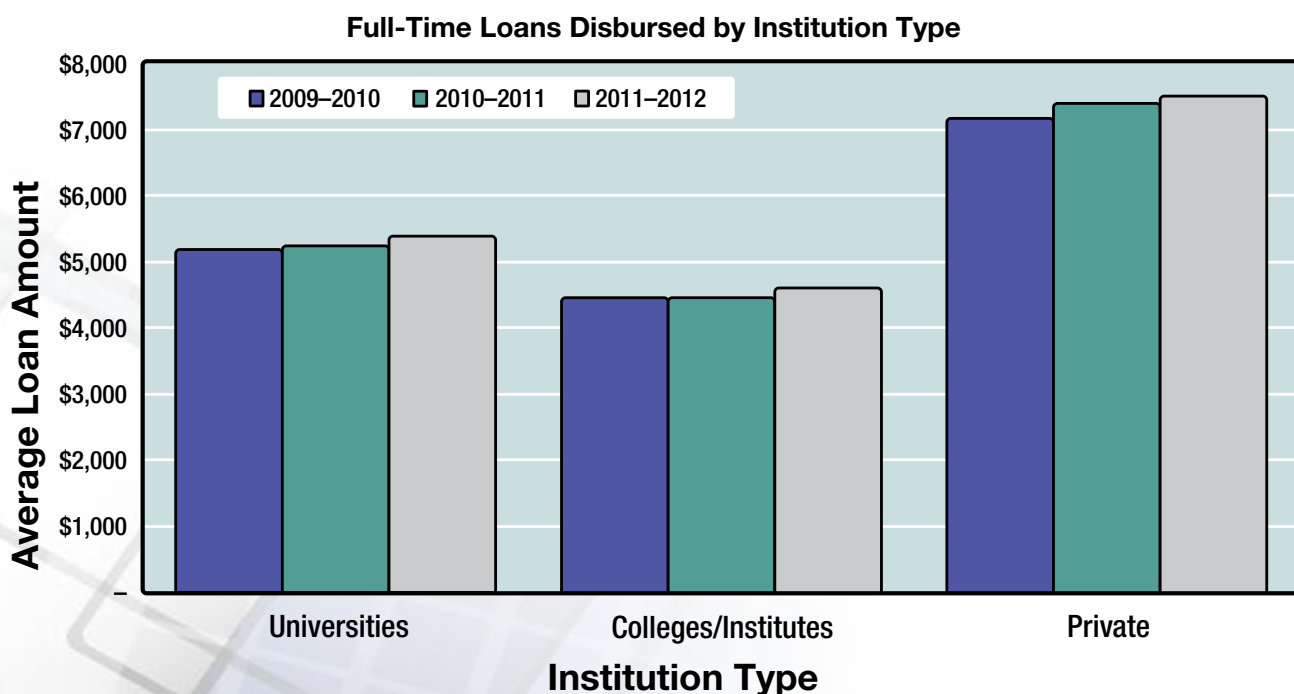
In 2011–2012, approximately 10% of students receiving CSLs studied outside their home province or territory or abroad, in keeping with the trend of the previous years. Student borrowers from large provinces were less likely to study outside their home province; for example, only 5.4% of CSL recipients from Ontario studied outside their province.

Conversely, students from smaller jurisdictions were more likely to use their CSL at an institution outside their home province: 82% of student borrowers from Yukon and 41% of student borrowers from Prince Edward Island studied outside their home jurisdictions in 2011–2012.

Regionally, borrowers in Atlantic Canada who left their home province to study tended to remain within Atlantic Canada, while those in Western Canada tended to either stay in their region or attend post-secondary institutions in Ontario.

What types of institutions do borrowers attend?

In 2011–2012, 59% of full-time student borrowers attended university, 31% attended college and 10% attended a private institution. These numbers remained virtually unchanged from 2010–2011. The amount of the average loan disbursed in 2011–2012 continued to be highest among borrowers attending a private institution (\$7,516) and lowest among college attendees (\$4,616).



What study level are borrowers enrolled in?

Most full-time student borrowers (59%) were enrolled in undergraduate degree programs, while 37% were enrolled in non-degree-granting programs at private institutions, colleges or universities and 4% were masters or doctoral students. These proportions are similar to those from 2010–2011.

Support for part-time studies

Recent program enhancements have broadened access to financial assistance for those studying on a part-time basis, including adults retraining to upgrade their skills and better position themselves for the job market. Specifically, the Government increased the income thresholds used to assess eligibility for part-time CSLs and Grants and eliminated the interest on loans while borrowers are in-study. Furthermore, part-time students can borrow up to a maximum of \$10,000, up from the previous maximum of \$4,000.

In 2011–2012, \$11.2 million in CSLs for part-time study was provided to nearly 6 500 students. This represents a 63% increase from the number of part-time students who received support in 2010–2011.

The following table illustrates the increased support provided to part-time students over the past three years:

Canada Student Loans for Part-Time Study		
Loan Year	Number of Borrowers	Value of Loans (\$million)
2009–2010	2 698	\$4.6
2010–2011	3 974	\$6.9
2011–2012	6 470	\$11.2

Additionally, there was a 42% increase in the number of married students receiving support for part-time studies.

While it remains that the vast majority of CSLP borrowers are full-time students, the Government of Canada recognizes the importance of addressing the varying situations of all post-secondary students, including increasing numbers of those pursuing studies on a part-time basis.

C. Loan repayment and repayment assistance

CSLs, like any loan, must be repaid by the borrower. However, unlike traditional bank loans, interest only begins to accumulate on a CSL after completion of studies, and no payments are required in the first six months.

Loans are typically scheduled to be repaid through monthly payments over a 114 month (9.5 year) period. Depending on their financial situation and income level, borrowers may revise their repayment terms, either to pay more quickly or to extend the payment period (up to a maximum of 14.5 years).

Student debt load

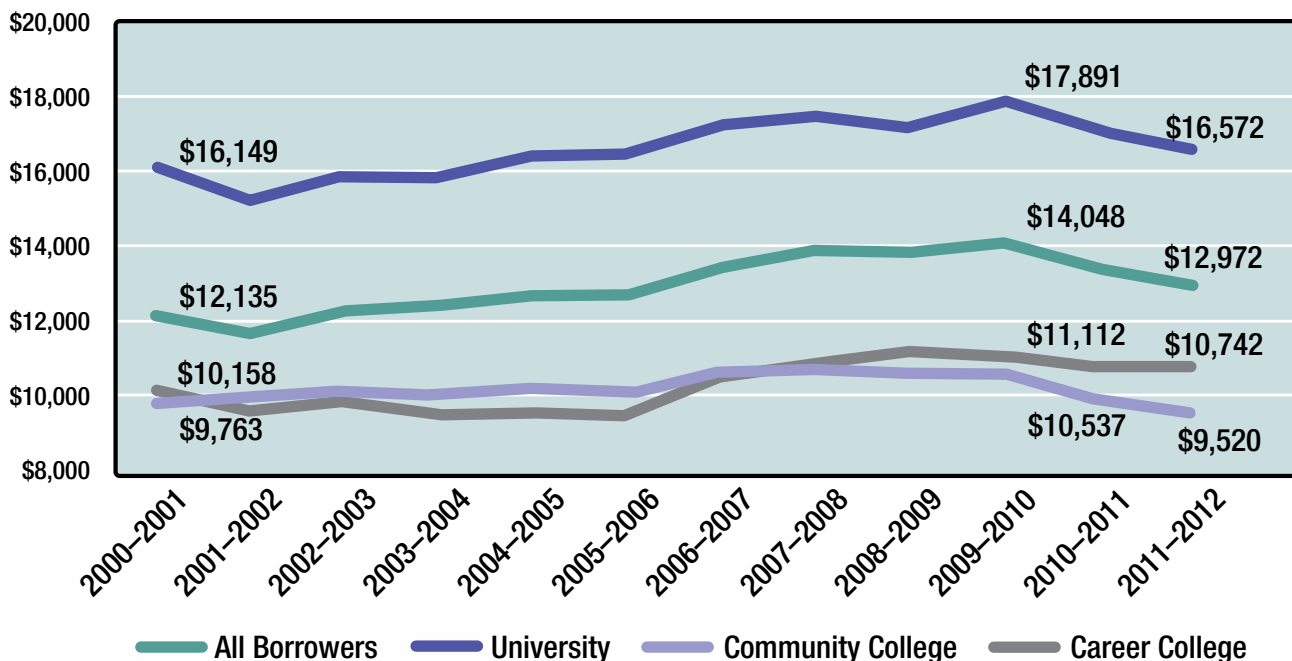
Over the last several years, considerable attention has been placed on the increasing cost of a PSE in Canada, and the level of student loan debt that many students accumulate.

In response to this, the Government of Canada has initiated a number of significant measures to ensure that student debt is minimized over time, acknowledging the importance of investing in PSE so that Canadians have an opportunity to gain knowledge and skills required for successful participation in the economy and society.

While CSL debt rose sharply during the 1990s, primarily as a result of significant increases in post-secondary tuition fees, it has remained relatively stable since.³ For example, between 2000–2001 and 2011–2012, CSL debt in 2012 dollar terms increased 3% for university students, declined 2% for community college students,

and increased 6% for career college students (see figure below). To put this trend in context, over the last 12 years, average CSL debt increased much slower than both household debt and personal income (which rose by approximately 75% and 10%, respectively).⁴

CSL Debt by Institution Type (in 2012 dollars)



Source: CSLP Administrative Data

³ Between 2000–2001 and 2011–2012, average CSL debt increased 7% from \$12,135 to \$12,920 (in 2012 dollar terms). Much of this increase in the average debt is due to a change in the composition of CSLP clientele. Specifically, the proportion of university students among CSLP borrowers increased from 38% to 47% over this period, and in general, university students tend to incur higher levels of debt than community college and career college students.

⁴ Statistics Canada (CANSIM) and Bank of Canada: <http://www.bankofcanada.ca/wp-content/uploads/2012/02/boc-review-winter11-12-crawford.pdf>.

Between 2000–2001 and 2009–2010, student debt increased 11% for university students, 8% for community college students, and 9% for career college students; with the majority of the increase taking place over the last half of the decade. This trend – stability followed by an increase – occurred due to a combination of factors. Firstly, the weekly CSL limit (which essentially restricts the amount of loans a student can receive) was fixed at \$165 up until 2004–2005, and was raised to \$210 in 2005–2006. In addition, at that time there was a significant number of students already receiving maximum loans and had unmet need, resulting in a sudden increase in the amount of loans disbursed to students when the loan limit was raised.

Although increases in tuition and the weekly CSL limit placed upward pressure on average CSL debt, investments by federal, provincial, and territorial governments in non-repayable assistance significantly reduced their impact. For example, between 2001–2002 and 2009–2010, total non-repayable assistance in Canada increased 65% in real dollar terms from \$1 billion to \$1.7 billion per year. Federal measures that contributed to this increase included the introduction of the Canada Millennium Scholarship Foundation (CMSF) in 1999, as well as the Canada Access Grant for Students with Low-income and the Canada Access Grant for Students with Permanent Disabilities in 2005. As a result of these investments, average CSL debt increased by only 11% for university students, 8% for community college students, and 9% for career college students.

As a result of further increases in non-repayable assistance, since 2009–2010 average CSL debt declined 7% for university students, 10% for community college students, and 3% for career college students from their 2009–2010 peak. For example, in 2009, the federal government

consolidated all federal grants into the new Canada Student Grants Program and significantly increased funding. Until 2008, the CMSF disbursed approximately \$350 million in grants annually and the CSLP disbursed slightly over \$150 million, for a total federal investment of approximately \$500 million per year. In contrast, in 2011–2012, the federal government provided \$647 million in CSGs.

2011–2012 Loan balances

CSL balance refers to the amount owed at the completion of studies. It is important to note that the loan balances described here reflect only the federal portion of a student loan. Borrowers may also have student loans from a province or territory.

Students who completed their studies in 2011–2012 had an average CSL balance of \$12,972⁵. This average amount has remained relatively stable over the past number of years.

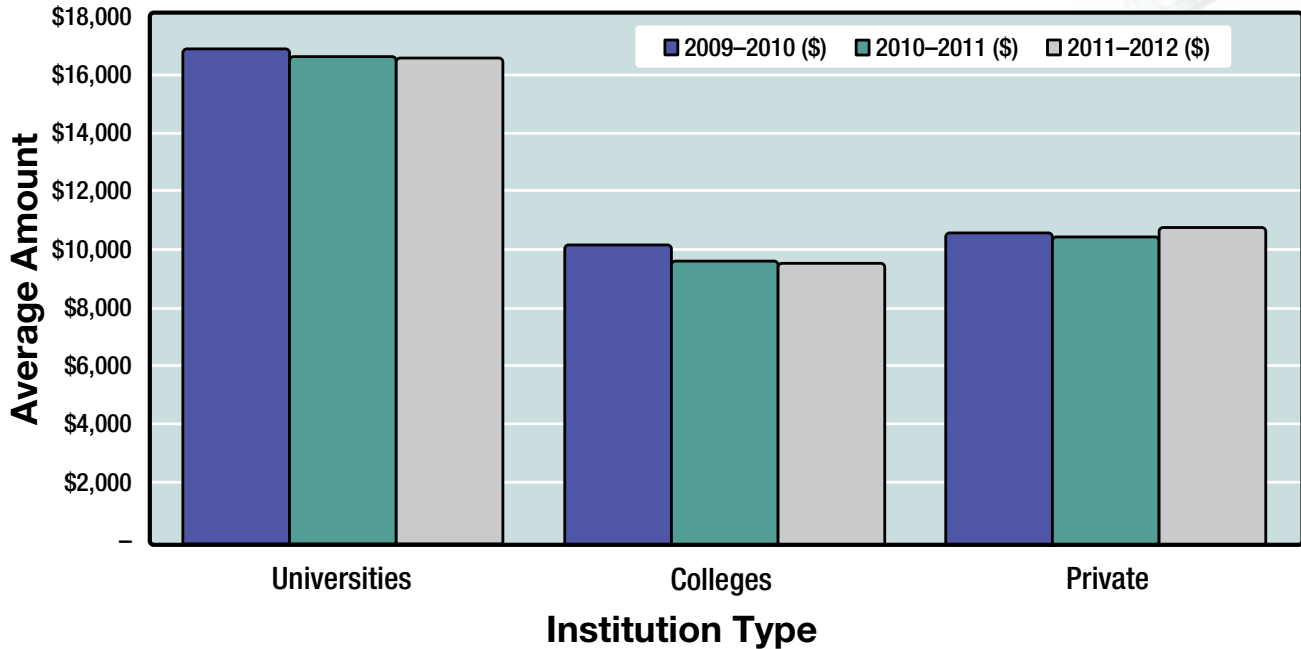
The range of amounts owing by CSL borrowers is as follows:

- 51% had a balance lower than \$10,000;
- 28% had a balance between \$10,000 and \$20,000; and
- 21% had a balance over \$20,000.

Differences in loan balances are reflective of each student's particular situation. Among the key factors are the type and location of institution as well as the program of study. In 2011–2012, the average loan balance of university students (\$16,572) was higher than that of college students (\$9,520) and of those attending private institutions (\$10,742). This difference is partly because university programs tend to take longer to complete than college or private educational institution programs.

⁵This average debt does not include the amount of any provincial loan that a student may have received.

Average CSL Indebtedness by Institution Type



Although borrowers attending private educational institutions on average receive more in loans per academic year (\$7,516 in 2011–2012) than their university and college counterparts (\$5,406 and \$4,616 respectively), they typically accumulate less overall debt because they are in school for shorter periods of time.

The chart above illustrates a comparative breakdown in CSL indebtedness for borrowers attending university, college and private schools over the past three years:

- CSL balances also differ by province or territory of residence, ranging from the highest of \$17,115 and \$16,472 for students from Prince Edward Island and Nova Scotia respectively, to the lowest of \$9,865 for Manitoba students.
- For students pursuing their post-secondary education outside their province, higher travel and living costs would be reflected in higher borrowing amounts.

Default rate declined in 2010–2011⁶

The CSLP continues to work to reduce the default rate on CSLs. The majority of defaults occur within three years of entering repayment. The CSLP uses the three-year cohort default rate as a main indicator of the performance of the CSL portfolio. This rate compares the value of the loans that enter repayment in a given loan year (cohort) and default within three years to the value of all the loans that entered repayment in that cohort.

Between 2003–2004 and 2010–2011, the default rate has fallen from 28.0% to 14.4% (preliminary). This decline was observed across all institution types, and was most significant for students at colleges/institutes. Though the vast majority of students repay their loans fully and on time, the CSLP has several repayment assistance measures available for those who experience difficulty in repaying their loans.

⁶ 2011–2012 default rate will be available in the 2012–2013 Annual Report.

CSL Three-Year Cohort Default Rates

2003–2004	2004–2005	2005–2006	2006–2007	2007–2008	2008–2009	2009–2010	2010–2011 ^P
28.0%	19.4%	16.6%	15.8%	14.7%	14.3%	14.9%	14.4%

A loan is deemed in default when in arrears for greater than 270 days under the direct-lending regime (roughly equivalent to missing nine monthly payments).

The three-year default rate is defined as the ratio of cumulative amount of all loans deemed in default for the period covering the year of consolidation and the subsequent two years, to the total amount of all loans consolidated in that year.

P: Preliminary rate

Repayment Assistance Plan

The RAP is available to borrowers experiencing difficulty repaying their CSLs.

These borrowers may apply for assistance whereby repayment obligations are reduced for a specified period. Eligibility is based on an assessment of one's financial situation, as determined by family income, family size and outstanding loan balance(s). For those who qualify, for the first phase of RAP (Stage 1), the result is either a reduced monthly payment or no monthly payment, with the Government of Canada covering the outstanding interest portion of the borrower's monthly payment.

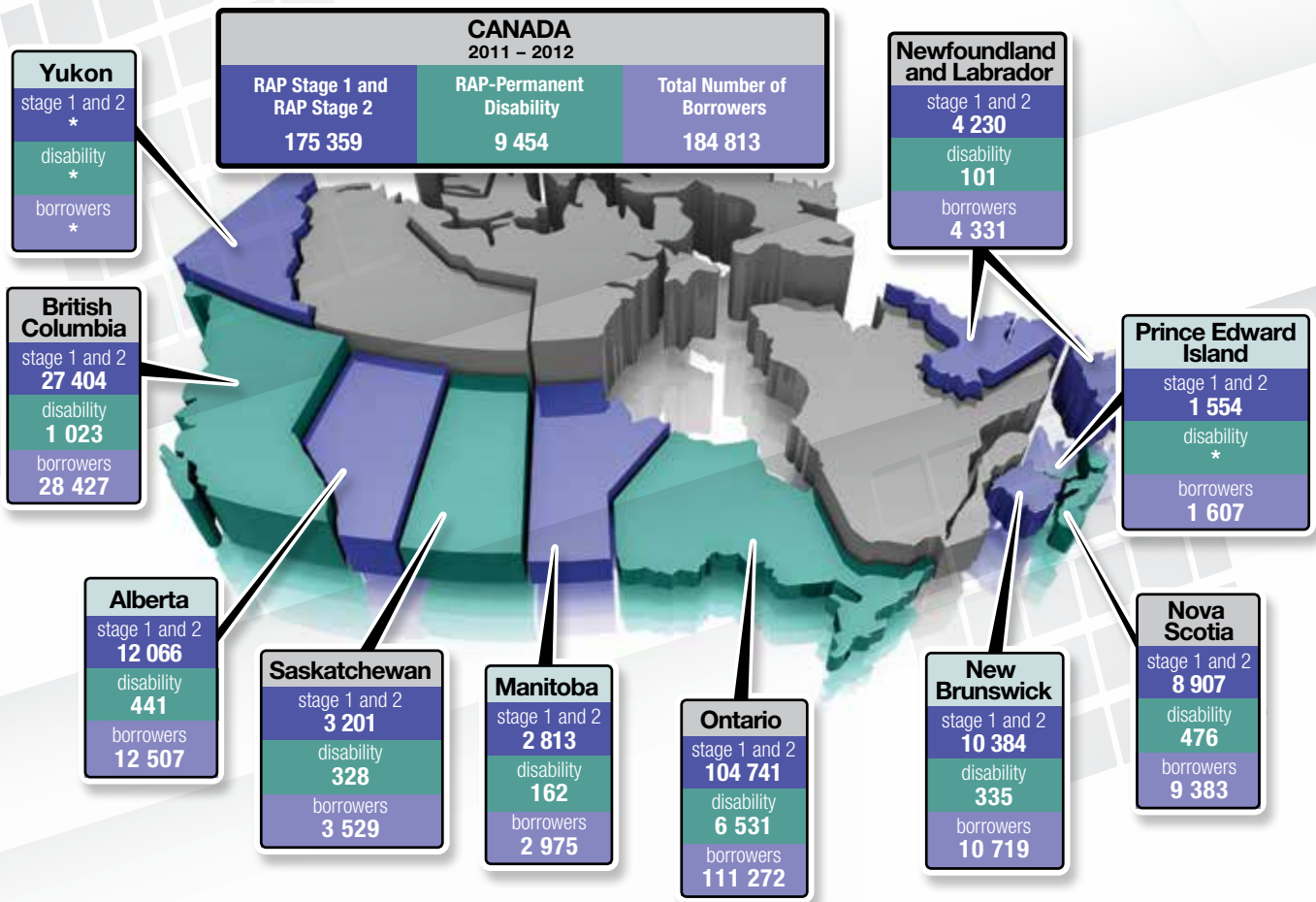
This benefit is provided for a period of six months. Borrowers have the option to re-apply at the end of each six-month period and may receive support for up to five years under this first phase of RAP.

Under a second phase of RAP (Stage 2), the Government of Canada will continue to cover interest payments and will begin to cover the principal of the loan not met by the borrower's affordable payment. The balance of the loan is to be gradually paid off so no student loan debt remains after 15 years (or 10 years for persons with permanent disabilities).

As indicated in the table below, in 2011–2012 RAP supported nearly 185 000 borrowers who experienced difficulty repaying their Canada Student Loans.



CSLP borrowers receiving repayment assistance by province / territory



*Note: Data for provinces/territories with values of 10 or less is suppressed.

Nearly 90% of these borrowers (163 088) who benefited from RAP made no monthly payments while the Government of Canada paid the interest on their loans. The remaining 21 725 borrowers received a level of support that enabled them to reduce their payments to an affordable level.

In 2011–2012 there was an increase of almost 70% in the number of borrowers benefiting from RAP Stage 2 (8 301) compared to the number who received this level of support in 2010–2011. In addition to having their interest payments covered, these borrowers qualified to have part of their principal balance reduced.

As a result of this increase, along with an increase in RAP for borrowers with a Permanent Disability, the Office of the Chief Actuary adjusted its forecast of the costs associated with RAP for the 2011-2012 loan year (see Appendix C for details).

Repayment Assistance Plan for Borrowers with a Permanent Disability

The RAP-PD is available to borrowers with a permanent disability having difficulty repaying their student loans. Like RAP, RAP-PD makes it easier for student loan borrowers to manage their debt by paying back what they can reasonably afford.

Student loan borrowers have to apply for RAP-PD to qualify, and eligibility is based on family income, family size, permanent disability, disability-related expenses, and outstanding loan balance(s). Approval is provided for a period of six months. While a permanent disability only needs to be demonstrated once, to qualify for RAP-PD, borrowers must reapply for each new assistance period and must continue to meet the other eligibility requirements.

Under RAP-PD:

- Loan payments are based on income, ability to pay and disability accommodation costs (uninsured medical expenses, special care and other expenses).
- Borrowers will not make payments exceeding 20% of their gross family income.
- The Government of Canada will cover both interest payments and the principal of the loan not met by the borrower's affordable payment.
- In certain cases, borrowers may not have to make any loan payments until their income increases.
- Borrowers with a permanent disability should not have a repayment period that exceeds ten years after leaving school.

As indicated in the above table, RAP-PD supported 9 454 borrowers with permanent disabilities. In addition to having their interest payments covered, these borrowers had part of their principal balance reduced.



Severe Permanent Disability Benefit

In very particular cases, some borrowers with a severe permanent disability may be eligible for loan cancellation. The Severe Permanent Disability Benefit makes it possible to cancel the repayment obligations of borrowers who have a severe permanent disability and are experiencing financial difficulty in meeting their repayment obligations. In 2011–2012, 418 borrowers had \$6.4 million worth of CSLs forgiven.

D. Communications and program delivery

Modernizing service delivery

Canadians' expectations for efficient and effective service delivery are on the rise. The CSLP is working to streamline and modernize the delivery of SFA, as a result of a commitment announced in Budget 2008. In collaboration with provincial/territorial partners, the CSLP is working towards implementation of a service delivery vision, aimed at providing student borrowers with simple, easy-to-manage access to SFA.

In 2011–2012 CSLP implemented the Master Student Financial Assistance Agreement (MSFAA) and Electronic Confirmation of Enrolment (ECE) in British Columbia. The MSFAA and ECE will replace the existing Certificate of Eligibility paper process required to issue loans and/or grants to student borrowers. Under this new model, borrowers receiving a disbursement would only be required to sign a paper document once. Subsequent disbursement would be issued without the borrower going through the administrative process of re-signing subsequent loan agreements. This will significantly improve the effectiveness and efficiency of service delivery by modernizing

and streamlining the administration of services available to student borrowers.

It is estimated that the MSFAA and ECE will be fully implemented among participating provinces/territories by the 2013–2014 academic year. Once complete it is expected that this project will significantly enhance the loan experience for student borrowers by:

- providing more timely disbursements of financial assistance to student borrowers;
- reducing the paper-based administrative burden for student borrowers and the NSLSC;
- increasing the readability and understanding of the rights and obligations of the student borrower; and
- producing greater efficiencies within the SFA delivery system.

In 2011–2012, the CSLP worked at ensuring that CanLearn and the NSLSC website, as well as the CSLP section of the HRSDC website, complied with the Common Look and Feel Standard on Accessibility, Interoperability and Usability of Web sites, and the Web Content Accessibility Guidelines.

The CSLP also worked at ensuring timely posting of key information on CanLearn.ca, such as postal and college strike content, rehabilitation and Budget 2011 information, to allow Canadians to obtain the information they needed quickly and easily. In 2011–2012, close to 4 million users visited CanLearn.ca for information on PSE and learning resources in Canada.



MEASURING PROGRAM PERFORMANCE

The CSLP is a statutory program that provides loans, grants, and repayment assistance to all post-secondary students who meet eligibility criteria. The CSLP is responsible for ensuring that financial support effectively assists Canadian students, and that taxpayers' investment in the Program is properly managed. As such, the Program regularly measures and reports on:

- client satisfaction;
- awareness of student financial assistance;
- portfolio performance;
- program integrity; and
- program evaluation.

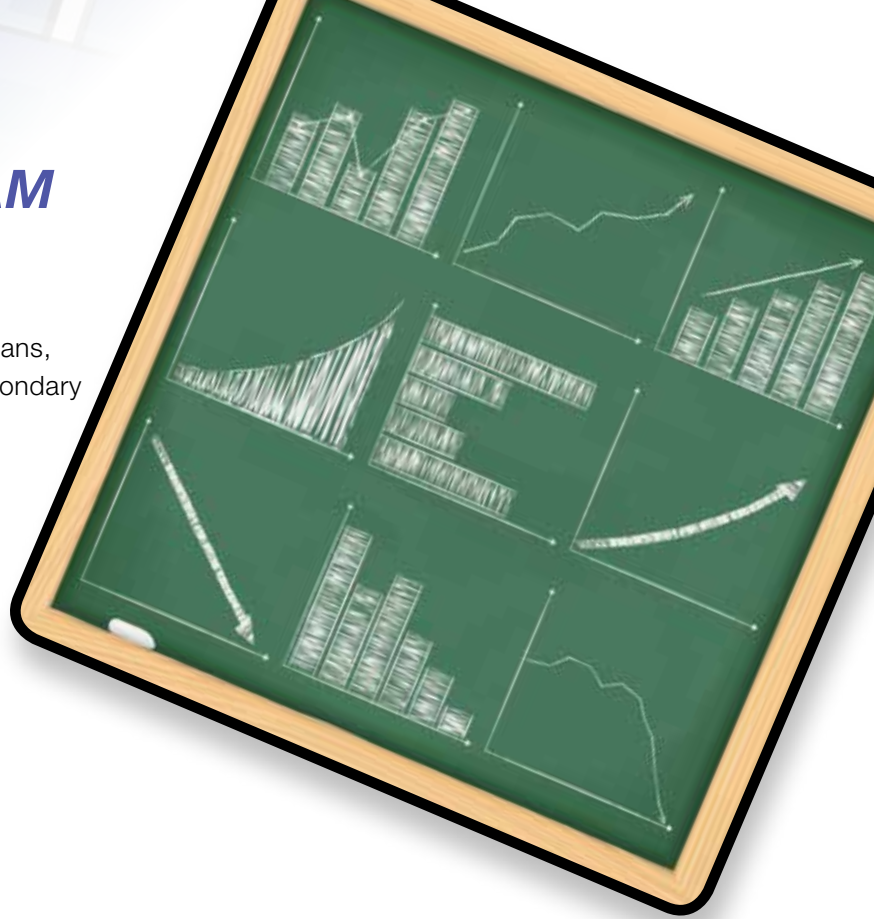
Client satisfaction

The Client Satisfaction Survey is used to assess borrowers' satisfaction with the services related to their CSL, including services provided by the CSLP directly, and those provided by the NSLSC.

- In 2011–2012, four out of five borrowers surveyed said they were satisfied with the overall quality of the CSLP's services.
- Satisfaction levels have remained essentially stable over the past number of years. As client satisfaction is an important objective for the CSLP, the contract with the service provider that operates the NSLSC is performance-based and contains an incentive for increasing borrower satisfaction. **Appendix B** provides detailed findings on satisfaction with the NSLSC.

Awareness of student financial assistance

The CSLP strives to ensure that borrowers are aware of the details of their loans and the specific options available to them when they begin repayment. In 2011–2012, 87% of borrowers surveyed found their repayment options to be clear.⁷



⁷ Phoenix Strategic Perspectives Inc, *Client Satisfaction Survey, March 2012*.

Portfolio performance

The CSLP constantly monitors the CSL portfolio to ensure that loans are being repaid, and not entering default. The three-year cohort default rate has decreased significantly from 28% in 2003–2004, to 14.4% (preliminary) in 2010–2011.

The CSLP works with its service provider to improve services to borrowers to help them avoid default through:

- Early outreach informing borrowers of their repayment requirements and assistance options available.
- Communications campaigns targeted to borrowers who withdraw from studies early.
- Piloting online counselling sessions for borrowers when they take a loan and when they enter repayment to reinforce repayment obligations.

Furthermore, the service provider's performance-based contract provides an incentive for default reduction, allowing the service provider to earn additional payments if it meets certain targets related to the default rate. Among other actions, the service provider will contact borrowers who are statistically more likely to default to offer them loan counselling before their first scheduled payment.

Program integrity

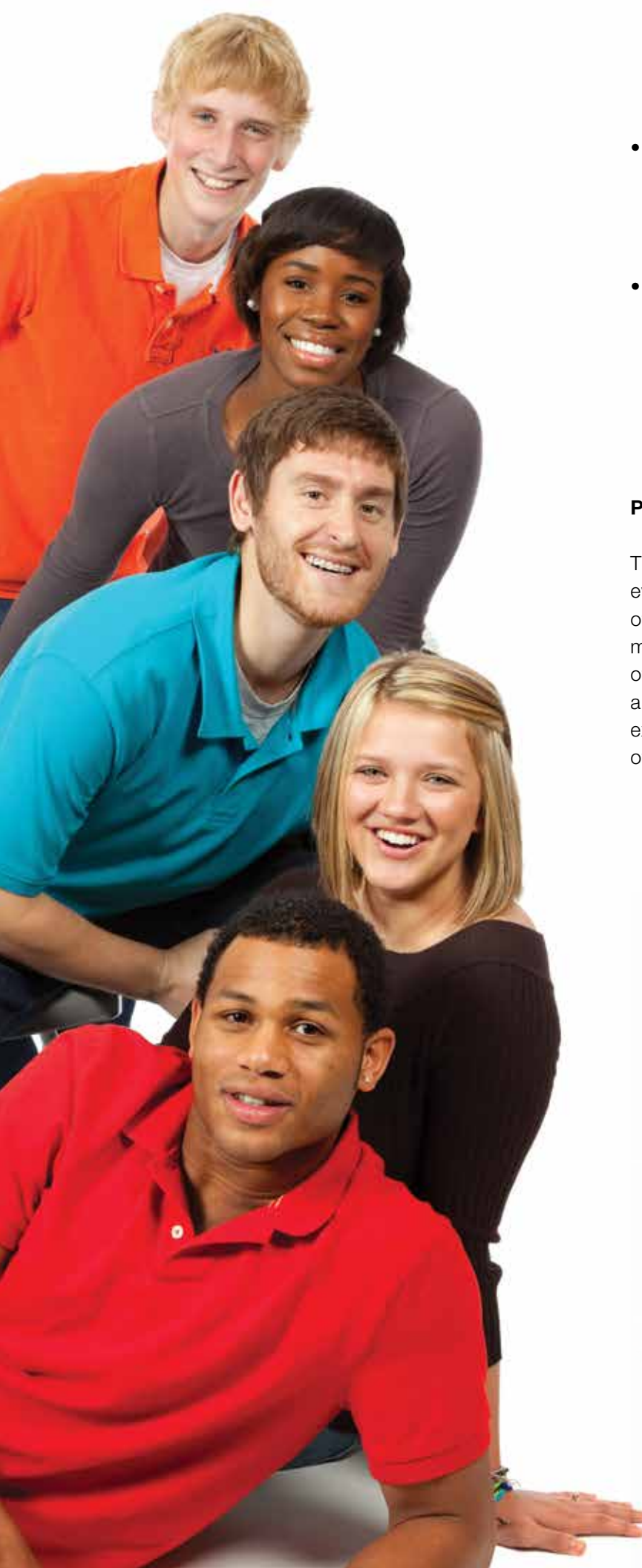
The CSLP strives to safeguard the integrity of the Program and protect the investments made by borrowers in their post-secondary education. Safeguarding integrity means ensuring that all

aspects of the Program are operating within the legal framework of the *Canada Student Financial Assistance Act* and the *Canada Student Loans Act*.

The CSLP has in place a number of policies and activities designed to ensure the program's integrity and to enhance governance and accountability:

- The Designation Policy Framework establishes pan-Canadian criteria for designation — the process whereby post-secondary educational institutions are deemed eligible for student financial assistance programs (i.e., students can apply for student financial assistance if they are attending a designated school). The Framework ensures that federal and provincial/territorial student financial assistance portfolios operate within the principles and practices of reasonable financial stewardship. As a part of this Framework, the CSLP calculates and tracks the repayment rates of Canada Student Loans. In 2012⁸ the rate was 85.2%. This rate has remained relatively stable over the past number of years.
- Administrative measures allow for restrictions to be applied to individuals who knowingly misrepresent themselves to obtain student financial assistance. Such individuals may be restricted from receiving student financial assistance for a specified period, be required to immediately repay any money obtained as a result of false information, and have grants converted to repayable loans. If warranted, further action may also be undertaken such as criminal investigation or civil litigation.

⁸ 2012 repayment rate data (taken as of July 31, 2012) are based on the repayment performance of loans consolidated between August 1, 2011 and July 31, 2012.



- In 2011–2012, the CSLP undertook investigations of 56 cases of alleged misrepresentation, 43 of which were confirmed as abuse, involving nearly \$300,000 in SFA.
- In keeping with provisions of the *Canada Student Financial Assistance Act*, the Office of the Chief Actuary conducts a statutory actuarial review of the CSLP at least once every three years. An Actuarial Report is available on the website of the Office of the Superintendent of Financial Institutions.

Program evaluation

The CSLP has undertaken a supplementary evaluation focusing on evaluating the impact of CSGs, which includes a new performance measure of persistence in PSE. As the impacts of CSGs on persistence and completion of PSE are long range in nature, this evaluation will extend to 2015–2016 to gain a truer picture of the effects of the grant program.

APPENDIX A – OTHER GOVERNMENT FUNDING

Government funding

Although the Canada Student Loans Program (CSLP) is the largest program offering student financial assistance to Canadians, other funding sources exist at the federal, provincial and territorial levels.

Measures offered by the Department of Human Resources and Skills Development include the following:

- The Canada Education Savings Grant encourages Canadians to save for their children's post-secondary education (PSE) by awarding grants to beneficiaries of Registered Education Savings Plans (RESPs).
- The Canada Learning Bond provides a grant to low-income families to begin an RESP and encourages parents to save for their children's PSE.
- Individuals who receive Employment Insurance benefits can be eligible for courses, training programs or other support to make it easier for them to return to the labour market, while still receiving income support during that period. This service is either co-managed with the provinces and territories, or provided by the provinces and territories through federal transfer payments.
- Provinces and territories may choose not to participate in the CSLP. These provinces and territories receive an alternative payment to assist in the cost of delivering a similar student financial assistance program.

Canada Millennium Scholarship Foundation

- The Canada Millennium Scholarship Foundation (CMSF) was established in 1999 with an endowment of \$2.5 billion and a 10-year mandate to promote access to PSE. The CMSF provided non-repayable bursaries and excellence awards to eligible students. In Budget 2008, it was announced that the CMSF would sunset at the end of the 2008–2009 loan year and that measures would be taken to ensure that students would not be impacted negatively by the CMSF's sunsetting.
- One of these measures is the transition grants provided by the CSLP. In 2011–2012, 4 365 transition grants were disbursed to former recipients of the CMSF bursaries to ensure that they continue to receive the same level of assistance after the sunsetting of the CMSF. The CSLP continued to disburse these grants until 2012.
- In addition to the transition grants, the CSLP is also continuing to support Millennium Excellence Awards recipients. In 2011–2012, 768 Millennium Excellence Awards worth approximately \$4 million were provided. The CSLP will continue to distribute Millennium Excellence Awards until 2013.

Other federal programs and initiatives related to PSE include the following:

- The Canada Social Transfer is a federal transfer of funds to provinces and territories in support of PSE, social assistance and social services.
- Aboriginal Affairs and Northern Development Canada assists First Nation and Inuit students with the costs of tuition, books and travel, and provides living allowances through the Post-Secondary Student Support Program and the University College Entrance Preparation Program. Post-secondary institutions also receive support through the Indian Studies Support Program to develop and deliver special programs for Aboriginal people.
- Tax relief is available to all individuals with federal and provincial or territorial loans through a federal tax credit on the annual interest paid on their student loans.
- The tuition tax credit provides tax relief for students' expenditures toward tuition fees.
- The education tax credit provides up to \$400 per month for full-time students and \$120 per month for part-time students to help offset education expenses.
- The textbook tax credit recognizes the rising cost of educational materials. This credit is \$65 per month for full-time post-secondary students and \$20 per month for part-time students.
- The Official Languages Support Program helps provinces and territories fund minority-language education and second-language instruction.
- Industry Canada offers scholarships and fellowships under the Natural Sciences and Engineering Research Council of Canada and the Social Sciences and Humanities Research Council of Canada.

Provincial/territorial and other funding include the following:

- Provincial and territorial governments offer loans, grants, scholarships, tax credits and repayment assistance measures.
- Students may also apply for scholarships and bursaries from their educational institutions, financial institutions and community groups.

APPENDIX B – CLIENT SATISFACTION WITH THE NATIONAL STUDENT LOANS SERVICE CENTRE

Satisfaction ratings of the National Student Loans Service Centre (NSLSC)
– % satisfied

Survey Question	2009–2010	2010–2011	2011–2012
The amount of time you had to wait to speak with a customer service representative	57	59	57
The competence of staff	82	86	87
The courteousness of staff	89	88	90
The extent to which the service was provided in a fair manner	87	86	85
The extent to which you were informed about the NSLSC	75	77	80
Your ease of access to the service	75	74	74
Your access to service in the official language of your choice, either English or French	97	97	97
In the end, you got what you needed from the staff	87	90	89
Overall level of satisfaction (with the quality of service received from the NSLSC)	77	77	78

Source: Canada Student Loans Program Client Satisfaction Survey.

Borrowers' views on the quality of service they received with regard to their federal or provincial student loan over the past two years: % in agreement*

Answer	2009–2010	2010–2011	2011–2012
Improved	10	9	9
Worsened	2	4	3
Stayed more or less the same	82	79	81

Source: Canada Student Loans Program Client Satisfaction Survey.

* Numbers do not add to 100% because respondents could pick "Don't Know or N/A."

APPENDIX C – FINANCIAL DATA

All data in this section represent the fiscal year April 1, 2011, to March 31, 2012.

Consolidated report on the Canada Student Loans Program

In August 2000, the Canada Student Loans Program (CSLP) was shifted from the risk-shared financing arrangements in place with financial institutions between 1995 and July 2000 to a direct student loan financing plan. The Government of Canada provides the necessary funding to students, and a private sector service provider administers the loans.

Reporting entity

The entity detailed in this report is the CSLP only and does not include departmental operations related to the delivery of the CSLP. Expenditure figures are primarily statutory in nature, made under the authority of the *Canada Student Loans Act* and the *Canada Student Financial Assistance Act*.

Basis of accounting

The financial figures are prepared in accordance with generally accepted accounting principles and as reflected in the *Public Sector Accounting Handbook* of the Canadian Institute of Chartered Accountants.

Consolidated Canada Student Loans Programs – Combined Programs

(millions of dollars)	Actual		2011–2012	
	2009–2010	2010–2011	Planned	Actual
Revenues				
Interest Revenue on Direct Loans	369.8	444.8	473.1	504.4
Recoveries on Guaranteed Loans	27.4	23.9	16.2	20.0
Recoveries on Put-Back Loans (RS)	11.0	11.5	5.0	10.1
Total Loan Revenue	408.2	480.2	494.3	534.5
Expenses				
<i>Transfer payment</i>				
Canada Study Grants, Canada Access Grants and Canada Student Grants Program	533.7	620.7	554.3	648.9
<i>Loan Administration</i>				
Collection Costs (All regimes) ^a	23.5	20.9	1.8	22.5
Program Delivery Costs (DL)	61.7	66.0	71.6	66.4
Risk Premium to Financial Institutions (RS)	0.6	0.3	0.3	0.1
Put-Back to Financial Institutions (RS)	3.6	2.3	2.5	3.7
Administrative Fees to Provinces and Territories and SIF (DL)	19.3	26.7	30.2	27.6
Total Loan Administration Expenses	108.7	116.2	106.4	120.3
<i>Cost of Government Support Benefits to Students</i>				
In-Study Interest Borrowing Expense (Class A – DL) ^b	177.4	173.3	207.0	142.7
In Repayment Interest Borrowing Expense (Class B – DL) ^b	180.0	182.9	240.6	155.1
In-Study Interest Subsidy (RS & GL)	1.4	1.2	1.2	1.0
Repayment Assistance Programs ^c	74.9	88.9	88.8	109.8
Claims Paid & Loans Forgiven (All regimes)	22.5	12.5	17.6	9.7
Total Cost of Govt Support Benefits to Students	456.2	458.8	555.2	418.3
<i>Bad Debt Expense^d</i>				
Debt Reduction in Repayment Expense ^e (DL)	133.4	40.7	38.1	352.7
Bad Debt Expense (DL)	129.1	323.6	318.5	340.3
Total Bad Debt Expense	262.5	364.3	356.6	693.0
Total Loan Expenses	1,361.1	1,560.0	1,572.5	1,880.5
Net Operating Results	952.9	1,079.8	1,078.2	1,346.0
Alternative Payments to Non-Participating Provinces (DL) ^f	223.1	300.1	250.7	288.2
Final Net Operating Results	1,176.0	1,379.9	1,328.9	1,634.2

(DL) = Direct Loans

(RS) = Risk-Shared Loans

(GL) = Guaranteed Loans

a. The Canada Revenue Agency has reviewed their methodology therefore the 2009–2010 and 2010–2011 actuals have been adjusted.

b. These costs are related to Canada Student Direct Loans but reported by the Department of Finance.

c. Interest Relief and Debt Reduction in Repayment has been replaced by the Repayment Assistance Plan.

d. This represents the annual expense against the Provisions for Bad Debt and Repayment Assistance Plan Payments – Principal as required under Accrual Accounting.

e. The 2011–2012 actual expense for RAP is higher than the planned expense to account for an increase in the uptake of the Repayment Assistance Plan (RAP), as well as more generous benefits provided to borrowers with disabilities. The majority of this increase is a one-time retroactive adjustment in order to capture loans disbursed starting in 2009–2010. Please see the Explanatory Note on the following page for further detail.

f. The figures represent the annual expense recorded under the Accrual Accounting as opposed to the actual amount disbursed to the Non-Participating Provinces. For 2011–2012, the total amount disbursed as Alternative Payments is \$278.4 M.

Explanatory Note – Planned and Actual Expense for Debt Reduction in Repayment

As the Government of Canada issues Canada Student Loans to students, these loans must be recorded in the public accounts as assets and coupled with an allowance provision (expense) for potential future losses associated with these loans. These expenses are recorded in the year the loans are issued even though the losses may not occur until years later.

The Repayment Assistance Plan (RAP) was implemented in 2009–2010 to assist CSL borrowers experiencing difficulty in meeting repayment obligations. Now that RAP has been in place for a number of years, more data for this benefit is available. This new data was used, in conjunction with other data relating to the CSLP portfolio, to establish and refine the calculations used to record planned and actual expenses.

Following a review of RAP data, the Office of the Chief Actuary (OCA) increased the allowance provision rate from 1.8% to 3.0% to be applied (retro-actively) as of 2009–2010 when RAP was implemented. This increase takes into account an increase in overall uptake for RAP as well as more generous benefits provided to borrowers with disabilities as described on pages 18–20 of this Report.

As a result of the increase in the RAP provision rate, an upward adjustment to \$352.7M was made for 2011–2012, a total which included the following two components:

- (1) an increase in the forecasted expense from \$38.1M to \$61.4M for loans issued within the 2011–2012 loan year, and
- (2) a retroactive allowance adjustment (\$291.3M) for loans issued in 2009–2010, and 2010–2011.

Therefore, although the expense is reported in 2011–2012, it is important to note that it includes a one-time retroactive adjustment to account for previous years as well.

Note:

Effective August 1, 2000, the Office of the Chief Actuary (OCA) has a mandate to conduct an actuarial review to provide a precise assessment of the current costs of the Canada Student Loans Program (CSLP), a long-term forecast of these costs, a portfolio projection, as well as a discussion of all the assumptions underlying the results of the review. The results are presented on a loan year basis from August 1 to July 31.

For a more detailed explanation on how the OCA forecasts provision allowances, please refer to the Actuarial Report on the CSLP as at July 31, 2011 at:

http://www.osfi.gc.ca/app/DocRepository/1/eng/reports/oca/CSLP_2011_e.pdf.

GLOSSARY

See CanLearn.ca for a more thorough glossary of terms related to the Canada Student Loans Program (CSLP) and student financial assistance.

Canada Student Grants:

On August 1, 2009, Canada Student Grants replaced the existing Canada Access Grants, Canada Study Grants, and grants offered by the Canada Millennium Scholarship Foundation. The following types of grants are available. Grants for:

- Students from Low-income Families: \$250 per month, to a maximum of \$3,000 per year for full-time students in a multi-year program;
- Students from Middle-income Families: \$100 per month, to a maximum of \$1,200 per year for full-time students in a multi-year program;
- Students with Dependants: For full-time students, \$200 per month of study, per child under 12 years of age, or a dependant with a permanent disability 12 or over. For part-time students with up to two children under 12 years of age, \$40 per week of study. For part-time students with three or more children under 12 years of age, \$60 per week of study.
- Part-time Studies: For students from low-income families, up to \$1,200 per year, depending on assessed need.
- Students with Permanent Disabilities: \$2,000 per year for full-time or part-time students with permanent disabilities.
- Services and Equipment for Students with Permanent Disabilities: Up to \$8,000 per year to cover exceptional education-related costs such as tutors, note-takers, sign interpreters, brailers, or technical aids.

Consolidation:

Borrowers consolidate their student loan(s) six months after completing their post-secondary studies (or ending full-time studies). Repayment begins once they have consolidated their loans.

Default:

A Canada Student Loan, issued under the direct loans regime, enters into default once a borrower has missed payments for 270 days. Loans issued under the guaranteed and risk-shared loan regimes enter into default when payments are in arrears for 90 days or more.

Default rate:

The CSLP measures default using the “three-year cohort default rate.” This rate shows the proportion of loan dollars that enter repayment in a given loan year (cohort) and default within three years. For example, the 2008–2009 default rate represents the proportion of loans that entered repayment in 2008–2009 and defaulted before August 1, 2011.

Designated:	A designated post-secondary educational institution meets provincial and federal eligibility criteria, and students attending these schools can apply for government-sponsored student financial assistance, such as Canada Student Loans.
Direct loans:	As of August 2000, the federal government issues Canada Student Loans under the direct loans regime. Loans are directly financed by the Government and a third-party service provider administers the loan process.
Full-time:	A full-time student is a student enrolled in at least 60% of a full course load (or 40% for students with permanent disabilities), in a program of study of at least 12 consecutive weeks at a designated post-secondary educational institution.
Guaranteed loans:	Between 1964 and 1995, Canada Student Loans were provided by financial institutions (such as banks) under the guaranteed loans regime. If a student defaulted on a guaranteed loan, the government paid out the bank and the student's debt was then owed directly to the Government.
Integrated province:	In integrated provinces, federal and provincial loans are combined so borrowers receive and pay back one federal-provincial integrated loan. The federal and provincial governments work together to make applying, managing and repaying loans easier. The CSLP has integration agreements with Ontario, New Brunswick, Newfoundland and Labrador, Saskatchewan, and British Columbia.
In-study:	The status of borrowers still attending full-time or part-time studies at a post-secondary institution or who have finished school less than six months ago.
In-study interest subsidy:	The Government of Canada covers the interest on Canada Student Loans while borrowers are in school (i.e. borrowers who have in-study status).
Loan year:	August 1 to July 31.
Millennium Excellence Awards:	Merit scholarship for academic excellence, innovative leadership and community service, awarded by the Canada Millennium Scholarship Foundation (CMSF). Since the closure of the CMSF, the CSLP administers these awards until 2013.
National Student Loans Service Centre (NSLSC):	The main point of contact for borrowers in managing their loans, from loan disbursement to repayment and repayment assistance. The NSLSC is a third-party Service Provider that manages all Canada Student Loans issued on or after August 1, 2000, as well as integrated student loans for New Brunswick and Newfoundland and Labrador, issued on or after August 1, 2000. It also manages all integrated student loans for Ontario and Saskatchewan issued on or after August 1, 2001 and for British Columbia as of August 1, 2011.

Part-time: A part-time student is a student taking between 20% and 59% of a full course load (or 20% to 39% of a full course load for a student with a permanent disability. Students with permanent disabilities taking between 40% and 59% of a full-time course load can elect to be considered a full- or part-time student.)

Participating provinces/territories: The provinces and territories that choose to deliver financial assistance to students within the framework of the CSLP. As of July 31, 2012, they included Newfoundland and Labrador, Prince Edward Island, Nova Scotia, New Brunswick, Ontario, Manitoba, Saskatchewan, Alberta, British Columbia and Yukon.

Province/territory of residence: A student's province or territory of residence is the province or territory where they have most recently lived for at least 12 consecutive months (not including time spent in a province or territory as a full-time student at a post-secondary institution). For example, an individual from Alberta studying in Ontario would be considered an Alberta student.

Post-secondary education: Levels of education following secondary school (high school). This includes all designated public or private post-secondary institutions.

Repayment: The status of borrowers who have begun repaying their Canada Student Loans. Repayment begins six months following the end of studies.

Repayment Assistance Plan (RAP): On August 1, 2009, RAP replaced CSLP's previous debt management programs (Interest Relief and Debt Reduction in Repayment). RAP is a temporary repayment assistance measure where a borrower repays an affordable monthly amount based on family income and family size. RAP also ensures that the repayment period will not exceed 15 years (or 10 years for a borrower with a permanent disability). Under RAP:

- Eligible borrowers receive assistance for six months, and can reapply as long as they are eligible.
 - Loan payments are based on the borrower's family income, family size and outstanding loan balance.
-

Repayment rate: The repayment rate is the percentage of the total principal amount of Canada Student Loans consolidated in a given loan year that is repaid or in good standing at the end of the subsequent loan year.

Revision of terms: A means of allowing borrowers to manage their loan repayment in a way that is responsive to their situation. It can be used to decrease monthly payments (extending the loan term to a maximum of 14.5 years), or to increase loan payments allowing the borrower to pay off the loan sooner.

Risk-shared loans:

Between 1995 and 2000, Canada Student Loans were provided by financial institutions (such as banks) under the risk-shared loans regime. Under this regime, financial institutions assumed responsibility for a portion of the possible risk of defaulted loans in return for a payment from the Government.

Severe Permanent Disability Benefit:

In certain cases, some borrowers may be eligible for loan cancellation. The Severe Permanent Disability Benefit makes it possible to cancel the repayment obligations of borrowers whose permanent disability prevents them from studying at a post-secondary level and taking part in the labour force and is expected to remain with them for life.

Transition Grant:

This grant, issued until 2012, replaces the Millennium Bursary following the sunsetting of the Canada Millennium Scholarship Foundation in 2009. It will ensure that 2008–2009 Millennium Bursary recipients continue to receive at least the same level of grant funding for the remainder of their current post-secondary education program.

