

Canada Student Financial Assistance Program



Annual Report

2021
2022



Employment and
Social Development Canada

Emploi et
Développement social Canada

Canada 

Canada Student Financial Assistance Program – Annual Report 2021–2022

Available upon request in multiple formats (large print, MP3, braille, e-text, DAISY) by contacting 1 800 O-Canada (1-800-622-6232). By teletypewriter (TTY), call 1-800-926-9105.

© His Majesty the King in Right of Canada, 2023

For information regarding reproduction rights:
droitdauteur.copyright@HRSDC-RHDC.gc.ca

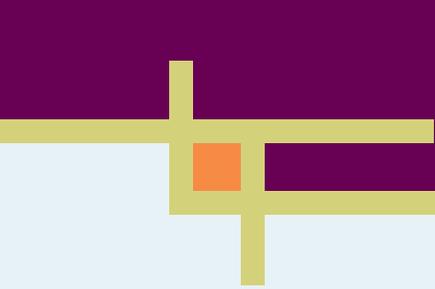
PDF

Cat. No.: Em1-25E-PDF
ISSN: 2817-6189

TABLE OF CONTENTS

- 5** Message from the Minister
- 7** Introduction
- 8** Vision and mission
- 9** Program highlights and results
- 22** Program delivery
- 25** Program performance measurement
- 30** Appendix A – Canada Apprenticeship Loan
- 31** Appendix B – Financial data
- 33** Glossary





Message from the Minister

Today's young people are the most educated generation Canada has ever seen. They are innovative and diverse, and will play a leading role in supporting a strong Canadian economy as we recover from the impacts of COVID-19.

Post-secondary education is a vital component to the success of youth across the country and Canada's overall success. It provides a strong foundation for young people looking to start their careers and provides opportunity for those already in the workforce looking for a new career path. The Canada Student Financial Assistance (CSFA) Program plays a critical role in ensuring all Canadians can have access to affordable and accessible post-secondary education.

For the 2021 to 2022 academic year, approximately 544,000 students benefited from \$3.3 billion in non-repayable Canada Student Grants, and 558,000 students availed themselves of \$2.9 billion in student loans.

That same year, we changed the CSFA Program to make post-secondary education more affordable.

We extended the temporary doubling of Canada Student Grants for full-time and part-time students, students with disabilities, and students with dependants for two additional years, until July 2023. In addition, we extended the temporary waiver of interest on Canada Student Loans and Canada Apprentice Loans until March 31, 2023.

In 2022, we did even more to keep costs down for students. First, on August 1, 2022, we extended CSFA Program disability supports to include those with a persistent or prolonged disability, and increased flexibility for documentation that can be accepted when applying for these supports. Second, on November 1, 2022, we improved the Repayment Assistance Plan, to ensure that repayment of student loans remains manageable. Specifically, we increased the zero-payment income threshold so that repayment will not be required until borrowers are earning at least \$40,000 per year. This amount is adjusted upward based on family size. To ensure eligibility keeps pace with the cost of living, the new zero-payment income thresholds will be indexed to inflation annually. We also lowered the cap on monthly affordable payments under the Repayment Assistance Plan from 20% to 10% of a borrower's household income.

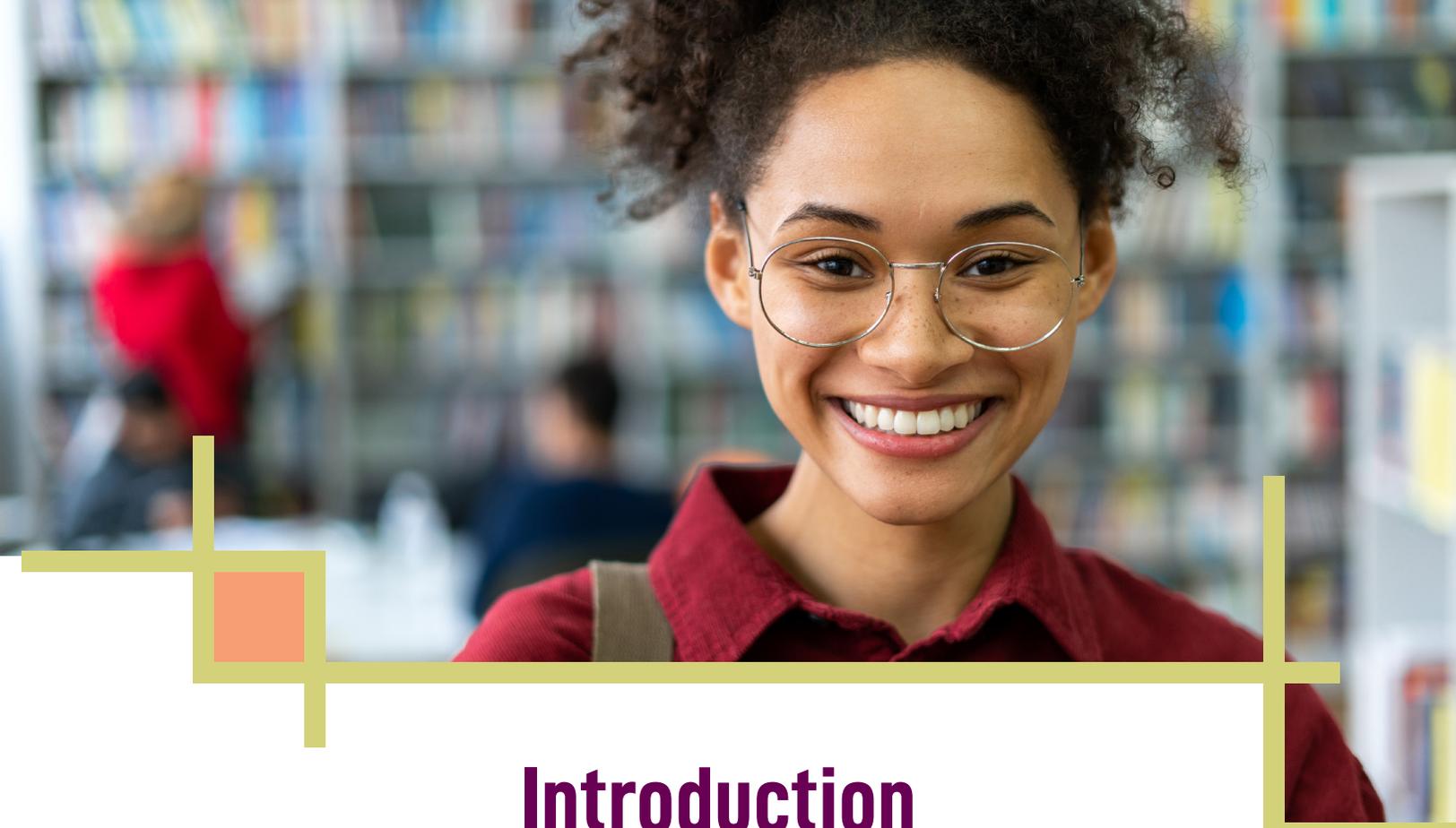
Finally, as announced in the 2022 Fall Economic Statement, all Canada Student Loans and Canada Apprentice Loans will be permanently interest-free, including those currently being repaid, beginning on April 1, 2023.

I am pleased to present the 2021 to 2022 Annual Report of the CSFA Program. When Canadians are given an equal chance to learn, work and succeed, our communities across the country benefit.



The Honourable Randy Boissonnault

Minister of Employment, Workforce Development and Official Languages



Introduction

This annual report serves to inform Parliament and Canadians about student financial assistance for post-secondary education under the Canada Student Financial Assistance (CSFA) Program. It provides information and data on grants, loans, repayment assistance and other program benefits during the 2021 to 2022 academic year (August 1, 2021 to July 31, 2022).

Further detailed information, including past reports and comprehensive statistical reviews of the CSFA Program, is available on the Government of Canada website:

[Canada Student Financial Assistance Program reports.](#)



Vision and mission

Employment and Social Development Canada

The mission of Employment and Social Development Canada (ESDC), including the Labour Program and Service Canada, is to build a stronger and more inclusive Canada, to help Canadians live productive and rewarding lives and to improve Canadians' quality of life.

Canada Student Financial Assistance Program

The CSFA Program provides targeted grants and needs-based loans to help students access post-secondary education. It also offers repayment assistance to borrowers with financial difficulty.



Program highlights and results

The Government of Canada recognizes the importance of student financial assistance to help post-secondary students in achieving their educational goals and, ultimately, succeeding as contributing members of a productive workforce.

Through the CSFA Program, the Government of Canada funds about 60% of a full-time student's financial need. The province or territory covers the remaining 40%. In this way, the CSFA Program works collaboratively with provincial and territorial governments to deliver student financial assistance to eligible students. Quebec, Nunavut, and the Northwest Territories do not participate in the CSFA Program but receive annual alternative payments in support of their own student financial assistance programs. Applicants in the remaining 10 jurisdictions are assessed for federal and provincial grants and loans through a single application process.

In the 2021 to 2022 academic year, over 763,000 post-secondary students received financial assistance from the CSFA Program, in the form of grants, loans or in-study interest subsidies. The CSFA Program provided \$3.3 billion in non-repayable Canada Student Grants (CSGs) to approximately 544,000 students and \$2.9 billion in Canada Student Loans (CSLs) to 558,000 students. In addition, the three non-participating jurisdictions will receive \$999.2 million in alternative payments based on the CSFA Program's expenses and revenues for the 2021 to 2022 academic year.

As announced in Budget 2021, the Government of Canada implemented the following measures in academic year 2021 to 2022 to ensure that the cost of post-secondary education remains predictable and affordable for everyone during the economic recovery:

- extended the temporary doubling of the CSGs for full- and part-time students, students with disabilities, and students with dependants for two additional years, from August 1, 2021 until July 31, 2023
- extended the temporary waiver of interest on CSLs and Canadian Apprentice Loans (CALs) until March 31, 2023
- supported adult learners in their efforts to up-skill or re-skill by extending the \$1,600 Skills Boost adult learner pilot project top-up to the full-time CSGs for an additional two school years, from August 1, 2021 until July 31, 2023
- made permanent the flexibility to use current year income instead of the previous year's to determine eligibility for CSGs, effective August 1, 2021

Skills Boost and Opportunities for Canada's Youth (2019-2021)

In Budget 2017, the three-year Skills Boost pilot project was introduced, to help adults afford the cost of returning to school to upgrade their skills. This measure, implemented in 2018 to 2019, includes a \$1,600 top-up to the full-time CSG for students who have been out of high school for at least 10 years, as well as flexibility to assess a student's eligibility for CSGs based on current (instead of previous) year's income for applicants whose financial circumstances have changed significantly.

In Budget 2021, the Government announced that it would extend the Skills Boost adult top-up grant funding for two years (until July 31, 2023) and make permanent the flexibility to assess a student's eligibility for CSGs based on current (instead of previous) year's income.

Program results

The following are key highlights and results of the CSFA Program in the 2021 to 2022 academic year.

A. Canada Student Grants

In 2021 to 2022, 544,000 students received \$3.3 billion in financial assistance they will not have to pay back. This represents an increase of 0.4% in the number of recipients, and an increase of 2.2% in the value of grants relative to the previous academic year. Currently, select grants continue to be temporarily doubled until academic year 2022 to 2023.

CSGs provide non-repayable funding to full- and part-time students and are targeted to students from low- and middle-income families, students with permanent disabilities, and those with dependants. Students are automatically assessed for CSGs when applying for student financial assistance through their province or territory of residence.

In 2021 to 2022, the CSFA Program provided the following grants to eligible students:

- **CSG for Full-Time Students:** up to \$750 per month of study (\$6,000 for an eight-month study period)
- **CSG for Full-Time Students with Dependants:** up to \$400 per month of study (\$3,200 for an eight-month study period) for each dependant under 12 years of age (and for each dependant over 12 years of age with a permanent disability)
- **CSG for Students with Permanent Disabilities:** \$4,000 per academic year for full- and part-time students with permanent disabilities
- **CSG for Services and Equipment for Students with Permanent Disabilities:** up to \$20,000 per academic year to cover exceptional education-related costs
- **CSG for Part-Time Students:** up to \$3,600 per academic year
- **CSG for Part-Time Students with Dependants:** up to a maximum of \$3,840 per academic year

The following table provides a summary of the distribution of Canada Students Grants by type.

TABLE 1 Canada Student Grants by type

A. Number of recipients^a

Canada Student Grant	2019 to 2020	2020 to 2021	2021 to 2022
for Full-Time Students	467,805	471,826	470,663
for Skills Boost Top-up ^b	70,615	82,784	94,138
for Full-Time Students with Dependants	67,773	80,930	89,140
for Full-Time Students with Permanent Disabilities	50,773	52,519	57,873
for Services and Equipment for Full-Time Students with Permanent Disabilities	10,437	9,597	10,342
for Part-Time Students	36,374	40,902	39,501
for Part-Time Students with Dependants	3,158	2,020	2,485
for Part-Time Students with Permanent Disabilities	1,848	2,115	2,361
for Services and Equipment for Part-Time Students with Permanent Disabilities	484	443	452
Total	528,079	541,777	544,055

^a Students can receive multiple grants but are only counted as one recipient in the total number of recipients. Therefore, the total is smaller than the sum of all recipients.

^b The Skills Boost Top-up to the CSG for Full-Time Students was temporarily introduced in the 2018 to 2019 academic year and is intended for adult learners from low- and middle-income families who have been out of high school for at least 10 years.

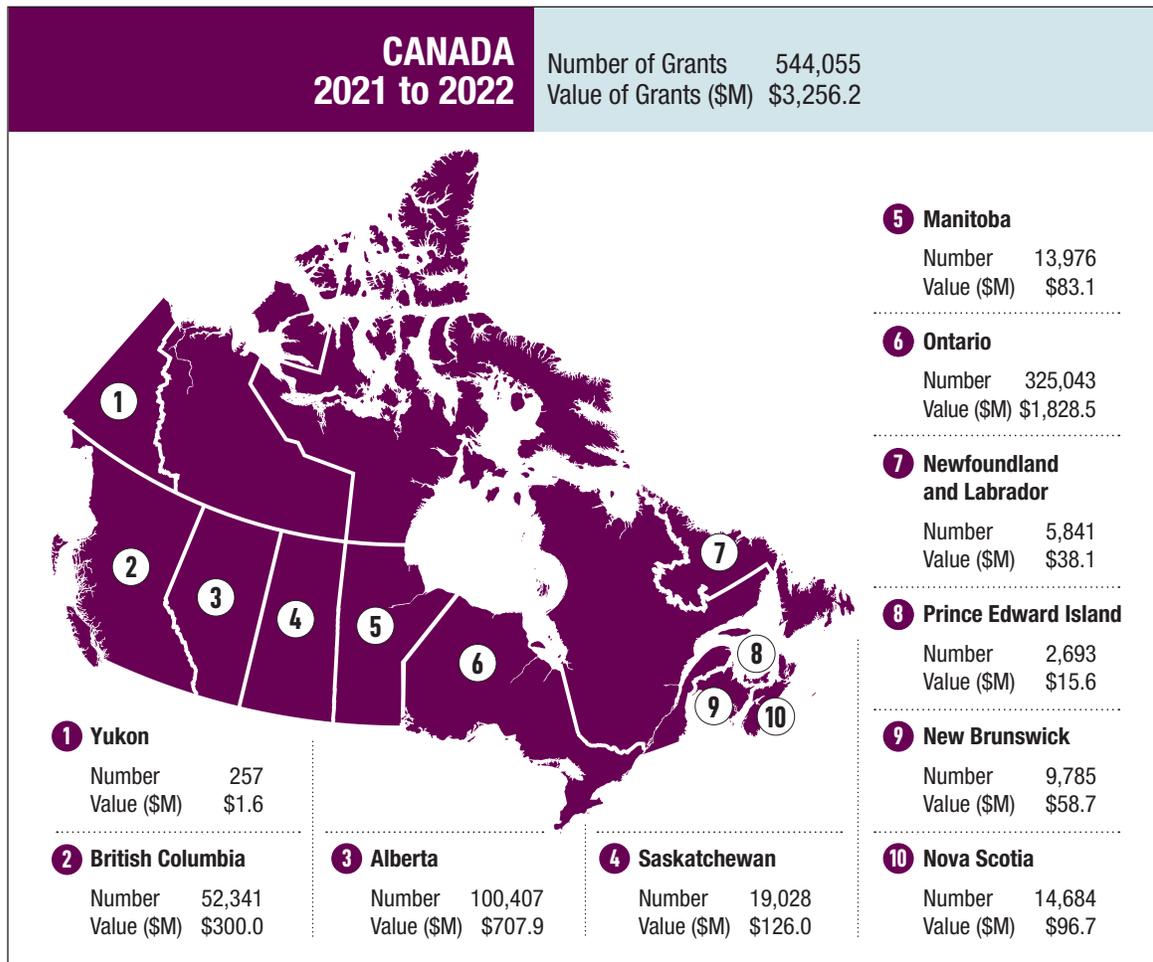
B. Millions of dollars

Canada Student Grant	2019 to 2020	2020 to 2021	2021 to 2022
for Full-Time Students	1,180.9	2,365.1	2,338.6
for Skills Boost Top-up ^c	107.5	127.1	143.5
for Full-Time Students with Dependants	160.0	377.5	431.5
for Full-Time Students with Permanent Disabilities	97.5	200.7	221.5
for Services and Equipment for Full-Time Students with Permanent Disabilities	27.1	26.6	28.5
for Part-Time Students	54.5	78.6	79.1
for Part-Time Students with Dependants	2.3	2.2	2.9
for Part-Time Students with Permanent Disabilities	3.7	8.4	9.3
for Services and Equipment for Part-Time Students with Permanent Disabilities	1.3	1.4	1.3
Total	1,634.8	3,187.5	3,256.2

^c The Skills Boost Top-up to the CSG for Full-Time Students was temporarily introduced in the 2018 to 2019 academic year and is intended for adult learners from low- and middle-income families who have been out of high school for at least 10 years.

The following figure shows the distribution of CSGs for full- and part-time students by province or territory.

FIGURE 1 Canada Student Grants for full- and part-time students in 2021 to 2022



B. Canada Student Loans

In the 2021 to 2022 academic year, over 558,000 students received \$2.9 billion in CSLs. This represents a decrease of 3% in the number of recipients and a decrease of 26% in the value of loans relative to the previous academic year. The decrease in value is attributable to the decrease in the weekly loan limit from \$350 in the previous academic year to \$210 in the current academic year as the limit returned to its pre-pandemic level.

CSLs are available to eligible students who demonstrate financial need, and who are enrolled in a degree, diploma or certificate program at a designated post-secondary educational institution in Canada or abroad. CSLs have always been interest-free for the entire period of studies. Budget 2019 made the six-month grace period after leaving studies interest free to ease new graduates into working life and to make sure they are not prematurely burdened by loan repayments. In April 2021, the government temporarily eliminated interest on student loans until March 31, 2023.

The following table provides a summary of CSLs for full- and part-time students by province or territory.

TABLE 2 Canada Student Loans for full- and part-time students

A. Number of recipients

Province or territory	2019 to 2020	2020 to 2021	2021 to 2022
Newfoundland and Labrador	6,406	6,720	6,724
Prince Edward Island	2,552	2,346	2,146
Nova Scotia	17,750	18,060	17,681
New Brunswick	14,029	12,344	11,693
Ontario	388,703	343,144	315,877
Manitoba	15,255	15,429	14,081
Saskatchewan	17,317	18,354	17,967
Alberta	87,489	100,674	113,776
British Columbia	58,140	59,185	58,207
Yukon	220	206	204
Total	607,861	576,462	558,356

B. Millions of dollars

Province or territory	2019 to 2020	2020 to 2021	2021 to 2022
Newfoundland and Labrador	41.7	56.4	40.6
Prince Edward Island	15.9	14.7	11.5
Nova Scotia	126.5	182.9	122.0
New Brunswick	72.2	85.5	60.6
Ontario	2,088.7	2,076.9	1,503.9
Manitoba	80.1	94.1	66.1
Saskatchewan	110.4	157.7	108.5
Alberta	547.4	771.4	686.4
British Columbia	364.9	527.7	339.2
Yukon	1.5	1.6	1.3
Total	3,449.1	3,968.8	2,940.0

C. Loan repayment, assistance, and forgiveness

Unlike traditional loans, CSLs do not accrue interest while borrowers are in school. Following the end of their studies, borrowers enter a six-month non-repayment period, wherein they are not required to make payments and do not accrue interest on their CSLs. Before April 2021, interest started to accrue once the six-month non-repayment period had elapsed. In April 2021, the Government of Canada temporarily eliminated interest on the repayment of CSLs and CALs.

Borrowers repay their loans through monthly required payments, typically over a 114-month period (9.5 years). Depending on their financial situation, borrowers may revise their repayment terms to pay more quickly or extend their repayment period by reducing their monthly payments (up to a maximum of 14.5 years).

The average CSL balance at the time of leaving school was \$15,578 for the 2021 to 2022 academic year. This represents an 8% increase compared to the previous year.

Differences in loan balances reflect each student's particular situation. Loan balances are measured at the time of leaving school, which includes students who graduate as well as those who do not complete their program of study. Among the key factors attributed to differences are the type and location of the post-secondary education institution, and the program of study. In the 2021 to 2022 academic year, the average loan balance of university students was \$19,109, higher than that of college students at \$11,797, and those attending private institutions at \$14,506.

Repayment Assistance Plan

Approximately 285,000 student loan borrowers received support under the Repayment Assistance Plan (RAP) in the 2021 to 2022 academic year, which represents a decrease of 8% from the previous academic year.

RAP is available to help borrowers who experience difficulty in repaying their student loans.

Under RAP, a single borrower does not have to repay their CSL until their earnings reach a minimum threshold of at least \$25,000 per year. This income threshold is adjusted based on family size, meaning that for a family of four, no payment is required until they earn at least \$59,512. Through this RAP option, their monthly required payment is also capped at 20% of their monthly family income. To remain on RAP, borrowers must re-apply every six months. Budget 2021 announced several enhancements to RAP, for implementation in November 2022. These changes will be reflected in the 2022 to 2023 CSFA Program Annual Report.

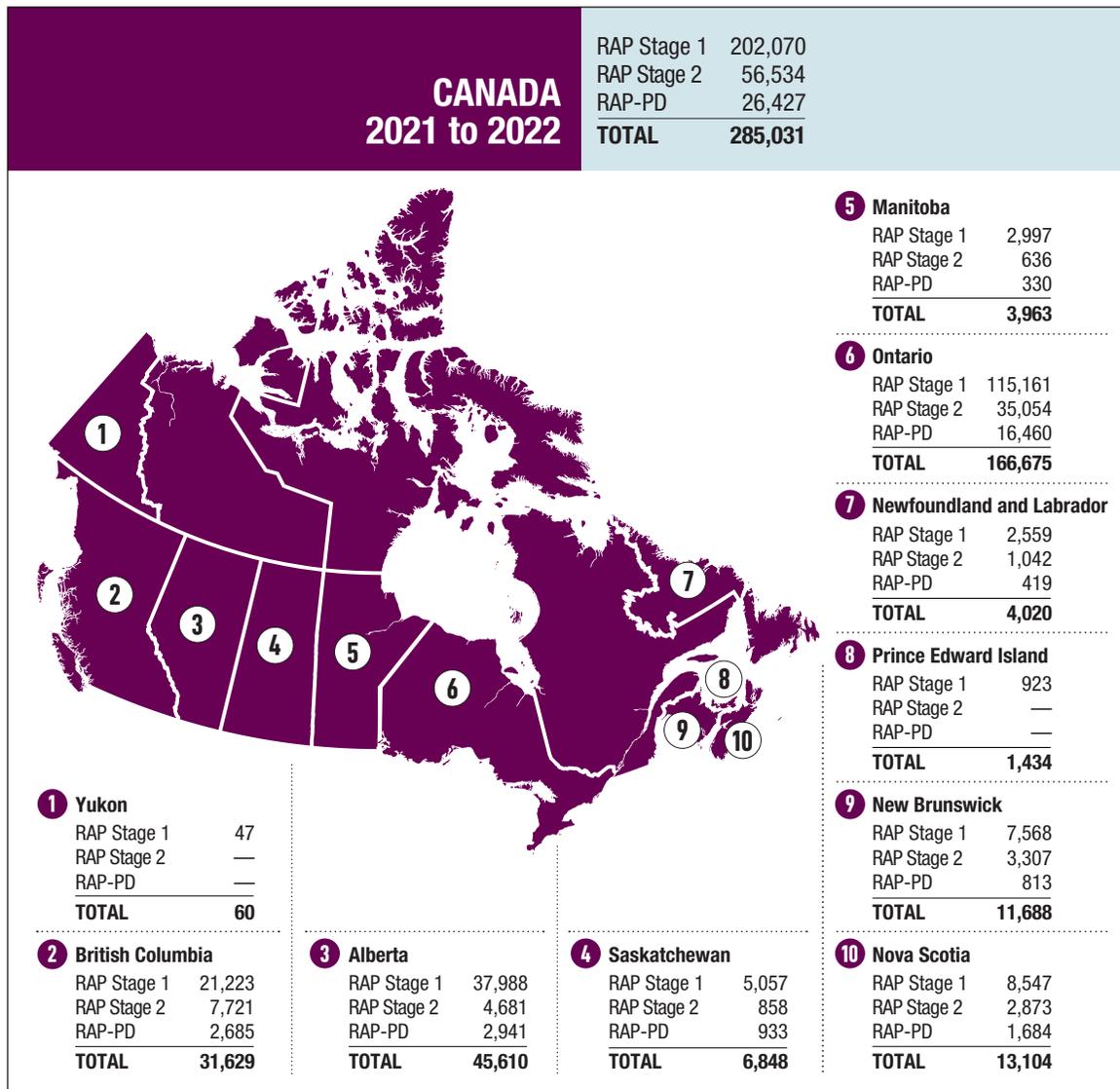
RAP offers different benefits depending on whether borrowers need short-term assistance soon after entering repayment or longer-term assistance after multiple years in repayment.

For the first 5 years on RAP (RAP Stage 1), the Government of Canada pays the interest not covered by a borrower's monthly payment on their CSL. For borrowers with longer-term financial difficulty (beyond 5 years), the Government begins to contribute towards both the principal and interest (RAP Stage 2) such that the loan is fully paid off 15 years after leaving school. If a borrower has always had a loan in good standing and they have already spent at least 10 years in repayment when they first apply for RAP, they immediately enter Stage 2; that is, the Government contributes to both interest and principal payments. However, if a borrower had previously defaulted on their loan, these timelines are reset to when the loan was brought back into good standing.

There is also the Repayment Assistance Plan for Borrowers with a Permanent Disability (RAP-PD). For borrowers eligible for RAP-PD, the Government pays both the interest and principal not covered by the monthly affordable payments, such that the loan is paid off 10 years after the completion of studies, for those who remain on RAP-PD. In addition, disability-related expenses are taken into account in the eligibility assessment, which may further reduce the individual's monthly payments.

The following figure provides a summary of the number of RAP recipients by RAP stage and payment type in 2021 to 2022.

FIGURE 2 Number of RAP recipients by RAP stage and payment type in 2021 to 2022



—: Denotes values that are suppressed to prevent statistical disclosure of number of recipients greater than 0 but less than 10.

Severe Permanent Disability Benefit

In very particular cases, borrowers with a severe permanent disability may be eligible for loan forgiveness. The Severe Permanent Disability Benefit makes it possible to cancel the repayment obligations of borrowers who have a severe permanent disability.

In order to determine eligibility, a medical assessment must be completed by a physician or nurse practitioner stating that the borrower suffers from a severe permanent disability. This is defined as a functional limitation caused by a physical or mental impairment that prevents a borrower from performing the daily activities necessary to participate in substantially gainful employment and is expected to remain with the person for life.

In the 2021 to 2022 academic year, 461 borrowers were forgiven an average amount of \$15,003 in CSLs under this measure, for a total of \$6.9¹ million. This represents a 9% decrease in the number of borrowers and a 13% decrease in total CSLs forgiven as compared to the previous year.

Loan forgiveness for family doctors and nurses

The Government of Canada offers CSL forgiveness for eligible family doctors, residents in family medicine, nurse practitioners, and nurses who work in under-served rural or remote communities. This benefit is aimed at increasing health care services across Canada.

Family doctors or residents in family medicine may receive up to \$40,000 in CSL forgiveness over a maximum of five years (\$8,000 per year), and nurse practitioners and nurses may receive up to \$20,000 in loan forgiveness over a maximum of five years (\$4,000 per year).

In the 2021 to 2022 fiscal year, almost 5,400 health care professionals working in various under-served rural and remote communities received an average of \$4,678 of CSL forgiveness for a total of \$25.1 million. This represents a 22% increase in the number of recipients and a 27% increase in total CSL forgiveness, as compared to the previous year.

¹ This amount includes interest, as well as loans from the CSFA Program's previous lending regimes.

D. Student demographics

The demographic profile of CSFA Program recipients remained relatively consistent with previous years. The majority of students who received a grant and/or loan in 2021 to 2022 were female (60%), between the ages of 20 to 24 (40%), attending university (55%), and enrolled in an undergraduate program (56%). Students 30 years and older made up 21% of the population. Students with disabilities made up 9% of grant and/or loan recipients in 2021 to 22 compared to 8% in 2020 to 2021. Indigenous students made up 7% of grant and/or loan recipients (6% in 2020 to 2021). This represents 8% of the grant/and or loan funding disbursed compared to 7% in 2020 to 2021. The following table provides a summary of the profile of students who received CSGs and/or CSLs in 2021 to 2022.

TABLE 3 Profile of students who received Canada Student Grants and/or Canada Student Loans in 2021 to 2022

A. Gender

Gender	Number	Percent	Millions of dollars	Percent
Women	403,403	60	3,788.3	61
Men	247,169	37	2,180.3	35
Gender diverse identities	1,349	0 ^a	11.5	0 ^a
Unspecified ^b	18,003	3	216.2	3
Total	669,924	100	6,196.3	100

^a Value rounded to zero.

^b Gender information was not provided.

B. Disability Status

Permanent disability status	Number	Percent	Millions of dollars	Percent
Students with disabilities	60,555	9	695.3	11
Students without disabilities	609,369	91	5,500.9	89
Total	669,924	100	6,196.3	100

C. Indigenous Status

Indigenous status	Number	Percent	Millions of dollars	Percent
Indigenous students	44,990	7	515.9	8
Non-indigenous students	624,934	93	5,680.3	92
Total	669,924	100	6,196.3	100

D. Age group

Age group	Number	Percent	Millions of dollars	Percent
Younger than 20 years	153,324	23	1,117.9	18
20 to 24 years	269,733	40	2,254.7	36
25 to 29 years	103,391	15	1,036.9	17
30 to 34 years	51,611	8	614.3	10
35 to 39 years	38,213	6	507.3	8
40 to 44 years	26,758	4	351.7	6
45 to 49 years	14,838	2	179.3	3
50 years and older	12,056	2	132.1	2
Total	669,924	100	6,196.3	100

E. Level of study

Level of study	Number	Percent	Millions of dollars	Percent
Certificate or diploma	258,570	39	2,507.7	40
Undergraduate	372,547	56	3,347.6	54
Master	32,619	5	280.0	5
Doctorate	6,188	1	60.9	1
Total	699,924	100	6,196.3	100

F. Type of institution

Type of institution	Number	Percent	Millions of dollars	Percent
University	366,613	55	3,259.8	53
College	194,424	29	1,613.9	26
Private	108,887	16	1,322.6	21
Total	669,924	100	6,196.3	100

In the 2021 to 2022 academic year, the vast majority of full-time students (89%) remained in their home province or territory to pursue post-secondary education. Only 8% studied outside their home province or territory within Canada, while around 3% of Program beneficiaries studied outside Canada.

The following table provides a summary of the share of full-time students studying inside and outside of Canada in 2021 to 2022.

TABLE 4 Share of full-time students studying inside and outside of Canada in 2021 to 2022

Province or territory	Study in home province or territory	Study in Canada but away from home province or territory	Study in the United States	Study outside Canada and the United States
Newfoundland and Labrador	82.1	16.8	0.4	0.7
Prince Edward Island	56.3	42.3	x	x
Nova Scotia	82.0	16.9	0.4	0.6
New Brunswick	74.6	24.3	0.7	0.4
Ontario	94.4	3.1	1.1	1.4
Manitoba	79.4	18.4	1.3	0.8
Saskatchewan	71.3	26.8	1.1	0.7
Alberta	84.0	12.7	1.9	1.4
British Columbia	85.7	11.0	1.3	2.0
Yukon	23.9	75.1	x	x
Total	89.1	8.2	1.3	1.4

x: Denotes values that are suppressed to prevent statistical disclosure of number of recipients greater than 0 but less than 10.



Program delivery

Working with partners

The CSFA Program works collaboratively with provincial and territorial governments to deliver student financial assistance to eligible students. In participating provinces and territories, approximately 60% of a full-time student's assessed financial need is funded by the Government of Canada, while the province or territory covers the remaining 40%.

A private-sector service provider, contracted by the Government of Canada, and branded as the National Student Loans Service Centre (NSLSC), administers federal grant and loan disbursement as well as federal loan repayment. The NSLSC administers federal and provincial student aid in five integrated provinces (British Columbia, Saskatchewan, Ontario, New Brunswick and Newfoundland and Labrador) as a single, integrated loan. Manitoba is currently in the process of being integrated, with the first phase of integration completed as of July 1, 2022. Manitoba's integration process is expected to be completed in 2023. Provinces and territories that have not integrated their program administration with the CSFA Program manage the provincial/territorial portion of financial assistance themselves.

In support of their own student aid programs, the three non-participating jurisdictions (Quebec, Nunavut, and the Northwest Territories) receive alternative payments each year according to the CSFA Program's expenses and revenues from the previous year. In January 2023, these jurisdictions received \$999.2 million based on expenses and revenues from the 2021 to 2022 academic year, as follows:

- **Quebec received \$986.3 million** – an increase of \$70.5 million from the last payment of \$915.8 million
- **Nunavut received \$6.6 million** – an increase of \$0.7 million from the last payment of \$5.9 million
- **The Northwest Territories received \$6.3 million** – an increase of \$0.6 million from the last payment of \$5.7 million

Service modernization

The Government of Canada is committed to the continuous improvement of the CSFA Program for the benefit of students. In order to respond to the expectations of Canadians with respect to e-services, the Government introduced a series of enhancements to online services for students in academic year 2021 to 2022. These enhancements helped to advance the CSFA Program's progress towards a digital-first service delivery model. In collaboration with the service provider and provincial and territorial partners, the CSFA Program will continue these efforts to provide students with additional digital self-service options.

Below is an overview of recent achievements and planned improvements to enhance the service experience of students:

Recent achievements

The secure online NSLSC student portal has undergone a number of upgrades to increase program efficiency, including:

- implementation of payment reminder notifications designed to help borrowers maintain a regular repayment schedule and prevent defaulting on payments
- enhancements to and modernization of existing features, such as the Virtual Repayment Counsellor
- accessibility and security enhancements such as an NSLSC.ca website that fully reflects Government of Canada accessibility standards, as well as ongoing improvements to security
- improved borrower communications, including an increase in the use of digital communications to students and borrowers

In addition, there has also been progress towards enhancing the systems and tools used by agents to improve client service delivery to students

Planned improvements

Some of the planned improvements to service delivery include:

- additional client-facing changes, such as updates to the NSLSC website to enable borrowers to upload documents in the secure online portal
- an enhanced verification method for assessing RAP applications



Program performance measurement

Client satisfaction

The CSFA Program is committed to ensuring that clients receive quality service. An annual client satisfaction survey assesses clients' satisfaction with services related to their grants and loans. Overall, satisfaction levels remained high over the past number of years. In the 2021 to 2022 academic year, the CSFA Program fully transitioned from a phone survey to an online survey to better reflect the digital-first service delivery method offered to clients through their NSLSC account. The average results showed that 81.2% of clients were satisfied with the quality of service they received from the NSLSC.

Portfolio performance

The CSFA Program's direct loan portfolio includes the balance of outstanding loans (in-study and in-repayment) and the balance of loans in default. With 1.9 million active recipients, its value as of July 31, 2022, was \$23.5 billion, representing a 2% increase as compared to the previous year. The CSFA Program works with the service provider to minimize the number of loans going into default. Although most students repay their loans in full and on time, some borrowers experience difficulty in repayment. A loan is deemed in default when in arrears for more than 270 days (roughly equivalent to missing nine monthly payments).

The CSFA Program uses a three-year default rate as the main indicator of the portfolio performance. This rate compares the value of loans that enter repayment in a given academic year and default within three years to the value of all loans that entered repayment in that academic year. As such, the most recent three-year default rate available in academic year 2021 to 2022 is that of borrowers who entered repayment during the 2019 to 2020 academic year.

As noted in the following table, the default rate has decreased by eight percentage points over the last decade, from 15% in 2009 to 2010, to its new all-time low of 7% in 2019 to 2020. The introduction of grants and RAP, coupled with increased and targeted communications by the service provider, have helped a greater number of students manage their repayment obligations, leading to a lower default rate. Furthermore, major enhancements in student financial supports in recent years (e.g., doubling of grants and interest waiver on CSLs) have all contributed to the improvement in repayment outcomes.

TABLE 5 Canada Student Loan three-year default rates

Years	2009 to 2010	2010 to 2011	2011 to 2012	2012 to 2013	2013 to 2014	2014 to 2015	2015 to 2016	2016 to 2017	2017 to 2018	2018 to 2019	2019 to 2020
Rates	15%	14%	13%	12%	11%	10%	9%	9%	8%	8%	7%

RAP expense

RAP is a benefit provided by the Government of Canada to help borrowers who experience difficulty in repaying their student loans. To measure the total amount of support the Government provides through RAP in a given year, the CSFA Program has developed a RAP expense indicator. This indicator measures the amount of principal repaid by the Government of Canada through RAP in a given year, as a percentage of the total loan principal in repayment during the same year.

The following table provides a summary of the Government of Canada's yearly expenses in providing RAP as a support benefit.

For the 2021 to 2022 academic year, the Government of Canada's RAP expenses represented 1.3% of the loan principal in repayment.

TABLE 6 RAP expense

Academic year	Principal repaid by Government through RAP (in million \$)	Principal in repayment (in million \$)	RAP expense indicator
2017 to 2018	90.4	9,643.2	0.9%
2018 to 2019	104.5	10,101.1	1.0%
2019 to 2020	82.2	10,706.6	0.8%
2020 to 2021	147.1	11,770.1	1.2%
2021 to 2022	161.3	11,998.0	1.3%

Loan rehabilitation

The CSFA Program offers loan rehabilitation as a way for borrowers to bring their defaulted loans back into good standing. Borrowers can rehabilitate their defaulted loans by paying the equivalent of two regular monthly payments plus their outstanding interest. Borrowers also have the one-time option to capitalize the interest owing on their student loans, and moving the outstanding balance to their loan principal. If they choose to exercise this option, they would still have to make an equivalent payment of two regular monthly payments. The CSFA Program works closely with the Canada Revenue Agency to raise awareness of loan rehabilitation. Loan rehabilitation helps borrowers by making them eligible for RAP or additional grants and loans to continue their studies.

During the 2021 to 2022 academic year, 6,103 borrowers rehabilitated a total of \$83.5 million in CSLs. This represents a 20% increase in the total number of rehabilitated borrowers and a 26% increase in the value of rehabilitated CSLs, as compared to the previous year.

Loan write-off

The Government of Canada writes off some CSLs from the Public Accounts on an annual basis. This includes loans deemed unrecoverable after all reasonable collection efforts are undertaken by the Program and the Canada Revenue Agency. The majority of the write-off dollar-value is attributed to loans that have not been acknowledged or for which no payment has been received, and have subsequently reached the six-year statute of limitations. Other reasons for write-off include bankruptcy, financial hardship, compromise settlements, and low dollar-value balances remaining on the account (less than \$20).

The total amount written-off in 2021 to 2022 for directly financed student loans was \$168.8 million. This value is lower than the 2020 to 2021 write-off value of \$185.5 million, and represents less than 1% of the directly financed student loan portfolio. The write-off of any debt does not mean the debt is forgiven. Should an individual who had their student loan written-off wish to access student financial assistance from the CSFA Program in the future, the debt must be repaid in full. In a situation where a CSL debt is reinstated after write-off, any interest charges that accrued on the debt are also reinstated.

Program integrity

The CSFA Program strives to safeguard the integrity of the Program by 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 CSFA Program has in place a number of policies and activities designed to ensure its integrity and to enhance governance and accountability:

- administrative measures may be imposed when individuals knowingly misrepresent themselves to obtain student financial assistance. These can include being restricted from receiving student financial assistance for a specified period, being required to immediately repay any money obtained as a result of false information and having their grants converted to repayable loans. If warranted, further action may be taken such as criminal investigation or civil litigation. In the 2021 to 2022 academic year, 17 cases of misrepresentation resulted in administrative measures being imposed
- in keeping with provisions of the [***Canada Student Financial Assistance Act***](#), the Office of the Chief Actuary conducts a statutory actuarial review of the Program in order to provide a long-term forecast of the portfolio and program costs. The most recent [***Actuarial Report \(2022\) \(PDF format\)***](#) is available on the website of the Office of the Superintendent of Financial Institutions

- the Designation Policy Framework establishes Canada-wide criteria for designation, the process whereby post-secondary educational institutions are deemed eligible for student financial assistance programs. The Framework ensures that federal, provincial and territorial student financial assistance portfolios operate within the principles and practices of reasonable financial stewardship. As a part of this framework, the CSFA Program calculates and tracks the repayment rates of CSLs for designated Canadian institutions. The 2022 repayment rate for borrowers who entered repayment in 2020 to 2021 was 92.6%. This means that 92.6% of the total loans to students who entered repayment in the 2020-2021 academic year have been repaid or are being repaid on time and those accounts are in good standing. This is the highest repayment rate (and the lowest default rate – see [Table 5](#)) that the CSFA Program has recorded since direct loans were introduced in 2000.

Appendix A

Canada Apprentice Loan

Support for apprentices

The Canada Apprentice Loan (CAL) provides financial support to apprentices in Red Seal trades during periods of technical training. This helps them complete their apprenticeship and encourages more Canadians to consider a career in the skilled trades.

Eligible apprentices may apply for loans of up to \$4,000 per period of technical training, for a maximum of five periods. The loans are interest-free for up to six years as long as borrowers are confirmed as being registered in a Red Seal Trade apprenticeship program and no loan payment is due during this period. Given the timing of technical training requirements in their province, apprentices in Quebec do not qualify for CAL. Instead, Quebec receives an annual special payment.

In the 2021 to 2022 academic year, CALs amounting to \$34.4 million were disbursed to 8,249 apprentices. This represents a 0.5% increase in total CALs disbursed and 3% increase of the number of apprentices, as compared to the previous year. Most disbursed apprenticeship loans (80%) went to apprentices from three provinces: Alberta (37%), British Columbia (26%) and Ontario (17%).

Appendix B

Financial data

Consolidated report on the Canada Student Financial Assistance Program

Since 2000, the Government of Canada has provided student financial assistance directly to borrowers. Prior to 2000, Program lending regimes were administered by financial institutions. Under direct lending, the Government of Canada finances and administers the CSFA Program, contracting with a private-sector service provider (NSLSC) to manage student loan accounts from disbursement to repayment.

Reporting entity

The entity detailed in this report is the CSFA Program only and does not include departmental operations related to the delivery of the CSFA Program. Expenditure figures are primarily statutory in nature, made under the authority of the *Canada Student Financial Assistance Act* and the *Canada Student Loans Act*. Information in [Table 7](#) is reported on a fiscal year basis (April 1 to March 31), rather than on an academic year basis (August 1 to July 31).

TABLE 7 Direct loan portfolio^a

A. Interest payments received

Interest	Actual (in million \$)		
	2019 to 2020	2020 to 2021	2021 to 2022
Interest payments received on direct loans ^b	339.4	112.0	30.8

^a This table shows the direct loan portfolio related expenses and interest received from student loans in repayment on a fiscal year basis (April 1 to March 31). This is not a financial statement.

^b This line item represents the interest portion of payments received on direct loans.

B. Student related expenses

Student related expenses	Actual (in million \$)		
	2019 to 2020	2020 to 2021	2021 to 2022
Canada Student Grants	1,583.0	2,920.8	3,154.5
Alternative payments ^c	492.3	487.2	927.4
Repayment assistance – principal ^d	117.9	93.4	160.8
Repayment assistance – interest	208.3	49.1	1.6
Loans forgiven – doctors and nurses	24.1	19.7	25.1
Loans forgiven – severe permanent disability	5.4	4.8	6.1
Loans forgiven – death	11.1	11.8	10.7
Loans forgiven – bankruptcy	1.7	2.5	2.5
Total	2,443.9	3,589.3	4,288.7

^c Payments made to non-participating jurisdictions to support them with their own student loan program. Payments are reported in the year in which they were received by non-participating jurisdictions.

^d Amounts are different than those in Table 6 because they are presented on a fiscal year basis rather than an academic year basis.

C. Other expenses

Other expenses	Actual (in million \$)		
	2019 to 2020	2020 to 2021	2021 to 2022
Loan write-off	179.1	185.5	168.8
Interest subsidy ^e	268.4	154.9	342.8
Collection cost ^f	24.9	24.6	25.4

^e Estimated cost to fund CSLs reported by the Department of Finance.

^f These are costs incurred by the Canada Revenue Agency to collect on loans in default.

D. Administrative fees

Administrative fees	Actual (in million \$)		
	2019 to 2020	2020 to 2021	2021 to 2022
Program delivery expenses ^g	32.7	39.1	45.9
Administrative fees to provinces	39.7	39.5	42.6
Other operating expenses	1.8	1.2	1.5
Total	74.1	79.9	90.0

^g CSFA Program delivery expenses include portfolio management, third-party administration, audit, actuarial and survey fees.

Glossary

Academic year	August 1 to July 31.
Consolidation	Borrowers consolidate their student loan(s) six months after the end of their post-secondary studies (or ending full-time studies). Repayment begins once they have consolidated their loans.
Default	A loan is deemed in default when it is in arrears for greater than 270 days under the direct lending regime.
Default rate	The CSFA Program measures default using a three-year default rate. This rate shows the proportion of loan dollars that enter repayment in a given academic year and default within three years. For example, the 2019 to 2020 default rate represents the proportion of loan dollars that entered repayment in the 2019 to 2020 academic year and defaulted before August 1, 2022.
Designated	A designated post-secondary educational institution meets provincial/territorial and federal eligibility criteria, and students attending these schools can apply for government-sponsored student financial assistance, such as CSGs and CSLs.
Direct loans	As of August 2000, the federal government issued CSLs under the direct loans regime. Loans are directly financed by the Government and a third-party service provider administers the loan process.
Fiscal year	April 1 to March 31.
Full-time student	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, CSLs 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 that borrowers receive and repay one federal and provincial integrated loan. The federal and provincial governments work together to make applying for, managing and repaying loans easier. The CSFA Program has integration agreements with five provinces: British Columbia, Saskatchewan, Ontario, New Brunswick and Newfoundland and Labrador.
In-repayment status	The status of borrowers who have begun repaying their CSL. Repayment begins six months following the end of studies.
In-study status	The status of borrowers attending full- or part-time studies at a post-secondary institution, or who have finished school less than six months ago.
Part-time student	A part-time student is a student taking between 20% and 59% of a full course load. Students with permanent disabilities may be accorded part-time status if they are taking between 20% and 39% of a full course load. If they are taking between 40% and 59% of a full course load they can elect to be considered either as a full-time or part-time student for the purpose of the CSFA Program.
Participating provinces and territories	The provinces and territories that choose to deliver financial assistance to students within the framework of the CSFA Program include Newfoundland and Labrador, Prince Edward Island, Nova Scotia, New Brunswick, Ontario, Manitoba, Saskatchewan, Alberta, British Columbia and Yukon.
Province or 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 prior to starting post-secondary education. This does not include time spent in a province or territory as a full-time student at a post-secondary institution. For example, an individual from Manitoba studying in Ontario would be considered a Manitoba student.
Post-secondary education	Levels of education following secondary school (high school) at all designated public or private post-secondary institutions.

RAP expense	This represents the amount of principal repaid by the Government of Canada through the RAP in a given year, as a percentage of the total loan principal in repayment during the same year.
Repayment rate	The repayment rate is the percentage of the total principal amount of CSLs consolidated in a given academic year that is repaid or in good standing at the end of the subsequent academic 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, financial institutions (such as banks) provided CSLs 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.
Student financial assistance	Student financial assistance is any form of financial aid provided by the CSFA Program to students while enrolled in designated post-secondary education institutions, including CSGs, CSLs and in-study interest subsidies.