

REPAYMENT ASSISTANCE PLAN

The Repayment Assistance Plan (RAP) is available for both federal and provincial student loans. Under this plan, your monthly student loan payments will be based on how much you earn, how much you owe on your student loans, and on your family size.

The 2016 Federal Budget proposed an enhancement to the loan repayment threshold under RAP for the 2016-2017 academic year.

The National Student Loans Service Centre (NSLSC) administers RAP on behalf of the Governments of Canada and New Brunswick. If you are experiencing financial difficulty, contact the NSLSC before missing a payment, because this assistance may not be available to you if your loan is returned to government for collection.

HIGHLIGHTS OF THE PLAN

- Loan payments are based on your income, level of debt, and your family size.
- You will never be expected to make payments exceeding 20 per cent of your income.
- Those who remain in financial need and use the Repayment Assistance Plan will have no student debt remaining 15 years after you last attended post-secondary education.
- There are special provisions if you are a borrower with permanent disabilities, taking into account extra expenses associated with the disability. Payment will end 10 years after you last attended post-secondary education.

RAP replaces the Interest Relief and Debt Reduction in Repayment programs. To be eligible, you must be a student loan borrower in repayment who is not able to pay the monthly payment amount required to have your loan paid off within 15 years. Eligibility is based on the concept of an "Affordable Payment" and is determined through a debt-to-income formula. An Affordable Payment is defined as the payment that could be put towards student debt and/or interest that does not lead to undue hardship. Affordable Payments vary based on your gross family income and family size.

You must complete and submit an application form and must:

- reside in Canada;
- not be restricted under the federal or provincial student loan programs;
- have an up to date repayment schedule (If you missed one or more payments, you may be able to use options such as interest capitalization in order to bring your repayment schedule up to date.);
- provide all requested supporting documentation i.e. required proof of income (pay stubs, letter from employer, and explanation of nil income, bank statements or accountant's statements); and
- have signed a consolidation agreement in order to apply for RAP.

For more information, contact the NSLSC or go to the following website: canlearn.ca.

