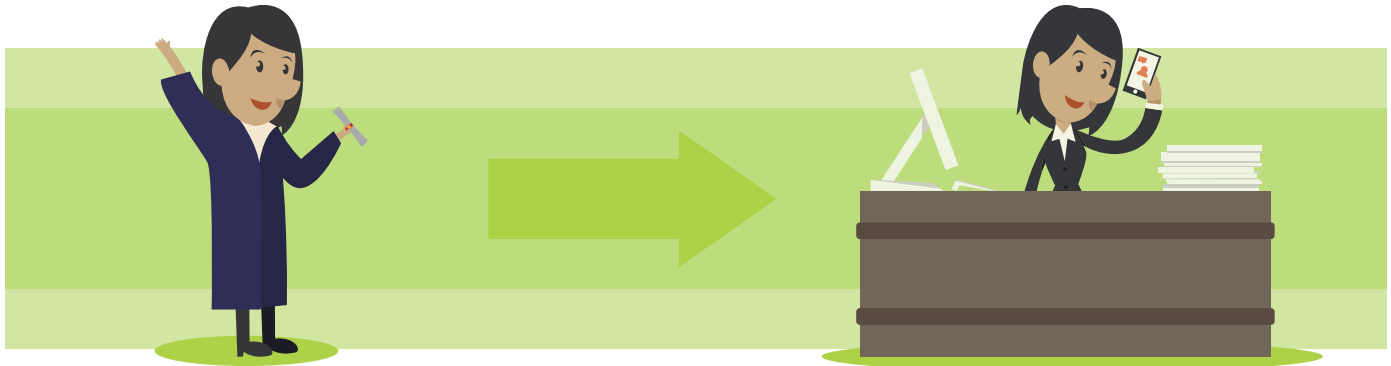


# HOW IMPORTANT IS IT TO REPAY YOUR STUDENT LOANS?



## PAYING BACK YOUR ONTARIO STUDENT ASSISTANCE PROGRAM (OSAP)

### How much do I need to repay?

What you have to pay back **after you leave school** depends on the amount of your debt, repayment period and interest rate.

### **What You Should Know:**

- **Total repayable loan debt:** The amount of OSAP loan you owe after any Ontario Student Opportunity Grants have been deducted.
- **Repayment period:** You can repay your OSAP student loans as quickly as you like or take up to 15 years. The faster you repay, the higher your monthly loan payments, but the lower your total interest payments will be.
- **Interest rate:** The amount you have to pay to borrow money. On the provincial part of your OSAP loan, the rate is the prime rate of interest plus 1%. On the federal portion interest rate can be the prime rate of interest plus 2.5%.
- **6 month grace period:** You do not have to begin repaying your student loan for 6 months after completing your studies.
- **Ontario portion of your OSAP loan:** The Ontario portion of your OSAP loan is both interest free and payment free during this 6 month grace period.
- **Federal portion of your OSAP loan:** Interest will still grow on your federal loan.

## HELP REPAYING YOUR STUDENT DEBT

- **Ontario Student Opportunity Grant:** May limit your yearly debt to a maximum of \$7,400 for 2 terms or \$11,100 for 3 terms.
- **Interest relief:** You may be able to suspend your monthly OSAP loan payments if you can't afford to make them.

# HOW IMPORTANT IS IT TO REPAY YOUR STUDENT LOANS?



- **Revision of Repayment Terms:** You can change your monthly payment by increasing the number of months you will take to pay off your loan.
- **Debt Reduction in Repayment:** May help you reduce your debt if you are still having difficulties repaying 5 years after school.
- **Repayment Assistance Plan:** Helps you repay your debt through reasonable and affordable payments.
- **Aeroplan Miles:** You can also convert Aeroplan Miles into payments on the Ontario portion of your student loan. *Learn more: HigherEdPoints.com*
- **OSAP Aid Programs:** There are 24 OSAP aid programs – grants, scholarships, bursaries and loans.

***Learn more about loan repayment relief at [osap.gov.on.ca](http://osap.gov.on.ca)***

## IF YOU DO NOT REPAY YOUR LOANS

**If you don't make your loan payments, you will be in default.**

- your debt will be turned over to a collection agency
- you will be reported to a credit bureau
- you could be ineligible for further OSAP until the default is cleared
- it can affect your ability to get a car loan, mortgage or credit card
- your income tax refund and HST rebate can be withheld
- interest will continue to build up on the unpaid balance of your loan

***Your OSAP debt will only be erased when you have paid it off in full.***

### ***Disclaimer***

The information provided is not intended as complete financial advice. This information is only intended to give a brief summary of the topic for discussion purposes. It is recommended that you speak with a financial expert who can provide more detailed financial advice based on your individual situation.

### ***Sources:***

*[fcac-acfc.gc.ca](http://fcac-acfc.gc.ca) - Financial Consumer Agency of Canada (Government of Canada)*

*[osap.gov.on.ca](http://osap.gov.on.ca) - Ontario Ministry of Training, Colleges and Universities*

*[ontario.ca](http://ontario.ca) - Government of Ontario*

