

S T U D E N T S F I N A N C E

# JUST THE FACTS

07/08



A SHORT GUIDE  
TO STUDENTS  
FINANCE



just the

## Everyone makes choices

### Gérard, 21

"Before applying for college, I never thought about how I was going to pay for it. When I figured out how much it would cost, I went to the financial aid office at my school to ask for help. They were great. It turns out that I am not only qualified for a student loan, I also got an Alberta Opportunities Bursary that covered part of my tuition and books. I've lined up a good job for the summer, which should cut back on the amount I have to borrow next year."

### Naomi, 23

"Without student loans and grants, I wouldn't have made it through university. My parents couldn't afford to contribute to my education, so my summer jobs, student loans, and bursaries got me through four years. I'm going to graduate with almost \$15,000 in debt, which means that while some of my friends buy cars and get their own apartments, I'll be living with roommates and making loan payments of \$182 a month. It's not an ideal situation, but my education and my future are definitely worth it."

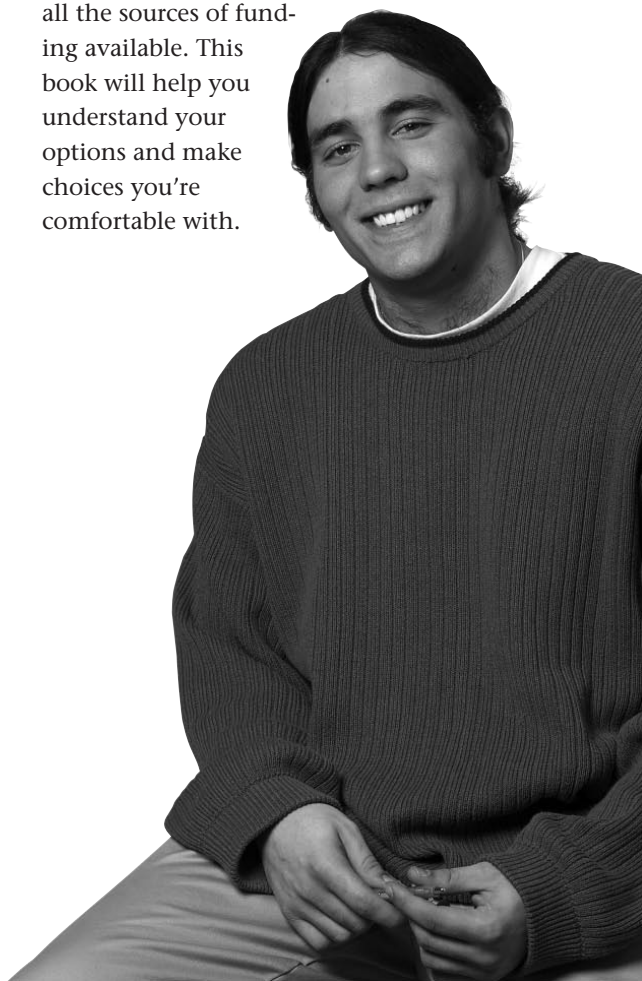
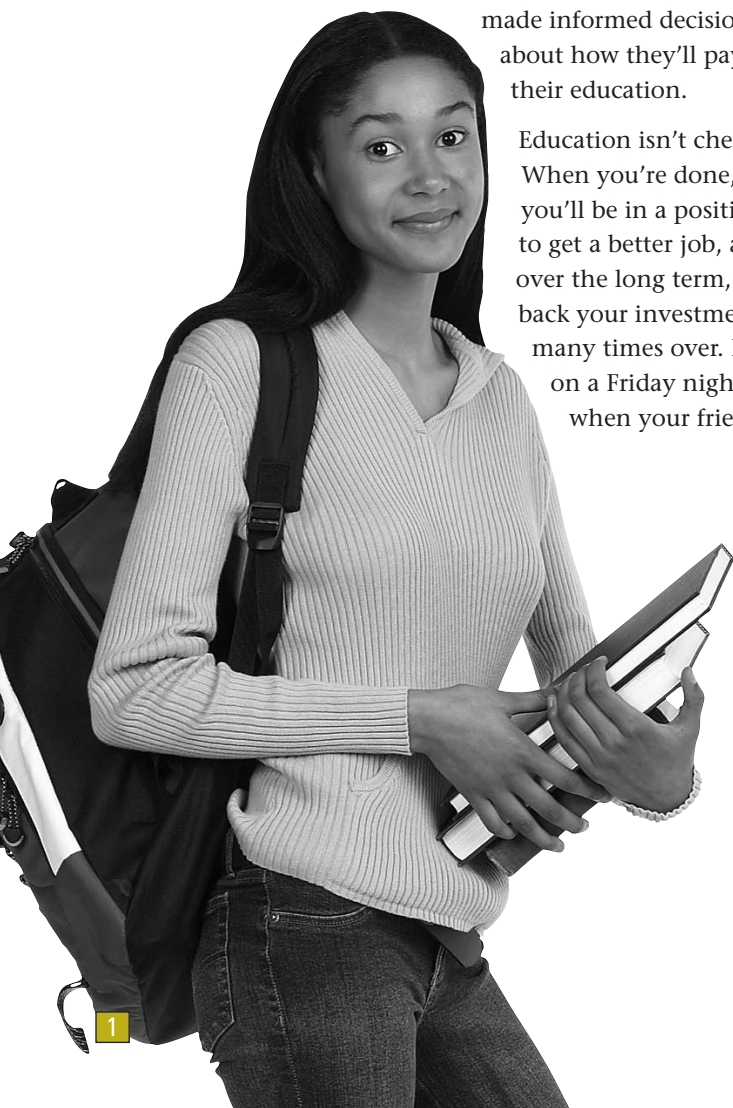
# two

different students, two different choices. But Gérard and Naomi have something in common — they both made informed decisions about how they'll pay for their education.

Education isn't cheap. When you're done, you'll be in a position to get a better job, and, over the long term, earn back your investment many times over. But on a Friday night, when your friends

are going out and all you've got in your pocket is lint, that's a small consolation.

It's your education — and you're in control of how you choose to pay for it. Sometimes it seems like those choices are limited, but it's up to you to make sure you've explored all the sources of funding available. This book will help you understand your options and make choices you're comfortable with.



## How much does it really cost?

**W**hy should you study your options when it comes to paying for your education? Managing your finances – often for the first time on your own – is an important part of going to school, and one that can affect your life every bit as much as your grades.

So, how much will it cost you to get the education you want? That depends on a number of factors, including where you go to school,

what kind of school you attend, how long your program lasts, and the living expenses you have while you're there.

The chart below shows the typical ranges of costs for a year of post-secondary education, including the cost of living. These estimates are for single students – if you are married/common law or have children, you'll have higher expenses.\*

### Cost per Academic Year

Living at home

**\$7,000 – \$9,000**

Living away from home\*

**\$10,000 – \$12,000**





# Can anyone help me get an education?

THIS YEAR, THE GOVERNMENT OF ALBERTA WILL

AWARD OVER \$57 MILLION IN AWARDS AND

SCHOLARSHIPS TO MORE THAN 34,000 ALBERTANS



**T**here are lots of different ways to pay for your education, and not all of them involve having a lot of money in the bank. Here are some of your options:

## Government sponsored student loans

Government Sponsored Student Loans (usually just called student loans) are special loans for students sponsored by the provincial and federal government, to cover some or all of the costs of post-secondary education. They're different from loans from lending institutions because government sponsored student loans are in interest free status while you are in school full-time. In other words, you will not be required to pay interest on your loans while you are a full-time student.

When you finish school, you're responsible for paying back the loan and any accrued interest. You have a six month grace period before you have to start repaying your loans, however, interest will begin to accrue on the outstanding balance of your Alberta and Canada Student Loans immediately after you complete your classes. If you run into trouble during repayment, there are programs that can help you.

## Bursaries and grants

Governments also offer bursaries and grants for students with high needs, such as students with dependants or permanent disabilities. The Alberta Students Finance Program includes:

- Alberta Opportunities Bursaries for high-need undergraduate students in their first or second year of study
- Maintenance Grants for students with special circumstances, such as single parents
- Millennium Alberta Rural Incentive Bursary for students who attended a rural high school in Alberta or lived in rural Alberta for a minimum of 12 months immediately prior to starting post-secondary studies, and who qualify for student loan funding.

## Canada Millennium Bursaries

Canada Millennium Bursaries are available to undergraduate students who show they have high financial need and

- have completed 60% of a full year of post-secondary studies,
- meet the other eligibility criteria for the Millennium Bursary (see [www.alis.gov.ab.ca/scholarships/](http://www.alis.gov.ab.ca/scholarships/) for details).

**Note:** Graduate Students are not eligible for this award.

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### **Alberta Student Loan Relief Program**

The **Alberta Student Loan Relief Program** offers two separate benefits at two points in your studies. To be eligible, effective August 1, 2005, you must have accumulated more than \$7,140 in a year or \$3,570 in a semester in Alberta Student Loans or combined Alberta and Canada Student Loans. See page 8 for further information.

### **Scholarships**

Students can apply for many different **scholarships** from a variety of sources. Scholarships are monetary awards based on academic merit or excellence in a specific area of study or discipline.

Search for over 400 scholarships, grants, bursaries and awards on the new **Scholarship Connections** database.

### **Loans from lending institutions**

Loans issued directly from a lending institution may be an alternative if students do not qualify for government sponsored student loans. However, students usually have to make interest payments on these loans while in school, and may have to have a co-signer for the loan.



STUDY YOUR  
OPTIONS

# Your student loan



**if**

you're like most students, you'll use more than one source of money to pay for school. If you plan on applying for a student loan, here's what you need to know.

## How can I apply?

There are two ways to apply for funding:

- You may be eligible to apply on-line. Visit [www.alis.gov.ab.ca](http://www.alis.gov.ab.ca), click on **Students Finance**, and then choose **Electronic Application**.
- You can apply on a paper application. Pick up an application at the financial aid office at the school you are planning to attend or by visiting an **Alberta Service Centre** or **Canada-Alberta Service Centre**.

You need only one application – the decision to allocate funds from the Alberta and Canada Student Loan Programs will be made for you.

## Where can I get help with my application?

If you need more information or help filling out your application:

- contact the Awards Officer at the school you plan to attend
- visit our website at [www.alis.gov.ab.ca](http://www.alis.gov.ab.ca)

- call the Student Funding Contact Centre In Edmonton, call 427-3722, or toll free in Canada, call 1-800-222-6485
- e-mail the Student Funding Contact Centre using the secure *e-Contact* service available on [www.alis.gov.ab.ca](http://www.alis.gov.ab.ca)
- visit your nearest Alberta Service Centre or Canada-Alberta Service Centre

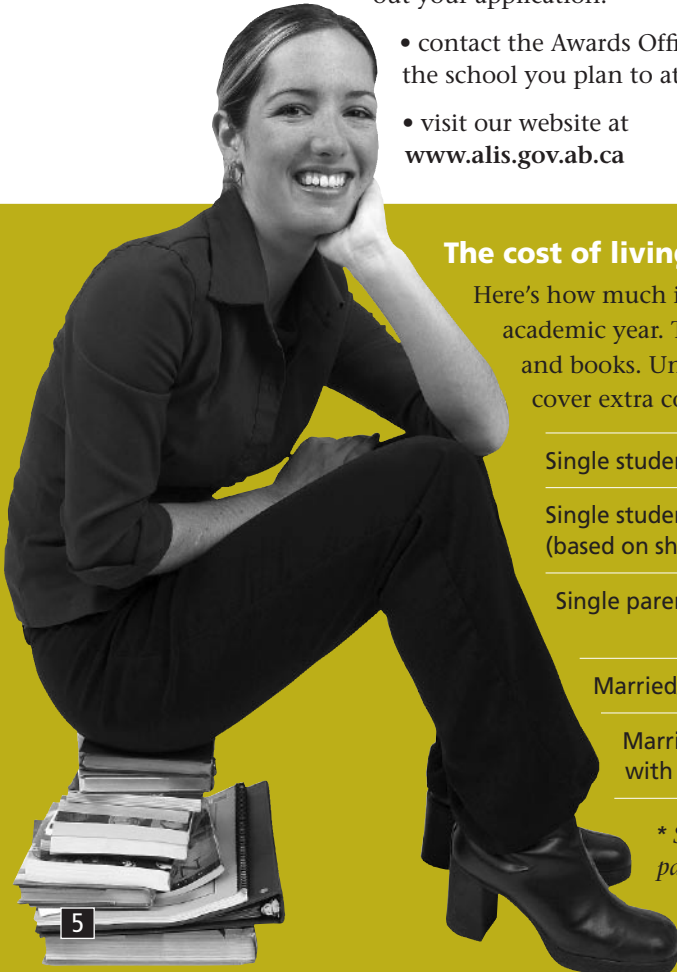
## Show Me The \$\$\$

So, you've filled out your **application**. How long before you actually see the money?

The sooner you apply, the faster your application is processed – and the sooner you know how much money you have to work with for the year. If you apply on-line, you may know how much funding you may be eligible to receive immediately.

You'll get a Notice of Assessment in the mail telling you how much money you'll get in loans and grants. Just before school starts, you'll receive your Alberta Student Loan

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## The cost of living

Here's how much is allowed for living costs each month for the 2007-2008 academic year. These figures do not include the cost of your tuition and books. Unless you can show special circumstances, you'll have to cover extra costs on your own.

Single student living with parents	\$412*
Single student living away from parents (based on shared accommodation)	\$897
Single parent with one child	\$1,551 + \$428 per additional child + child care
Married/common law couple	\$1,784
Married/common law couple with children	\$1,784 + \$428 per child + child care

\* Single students out of high school less than four years whose parents reside within commuting distance of the school (ie. public transit is available) are expected to live in their parent's home.

Agreement and/or Canada Student Loan Certificate – the documents you need to get your money.

You will also receive an information sheet with detailed instructions on how to cash your loan agreement/certificate. Read this sheet carefully as you may need to get your agreement/certificate signed at your school, and don't forget to sign them yourself.

If you cashed an Alberta Student Loan Agreement since August 1, 2006, any subsequent Alberta Student Loan Funding may automatically be direct deposited into your account or mailed to you as a cheque. You may not receive another agreement to sign. This applies only if your school confirms your registration electronically. Starting this year, you can also authorize Students Finance to direct deposit your grants and bursaries into your account.

Submit your completed documents to a participating Canada Post outlet, or visit the EDULINX location on your campus, if applicable, during peak registration times.

### Where Do I Cash My Loans?

Contact these centres for complete information.

#### Alberta Student Loans:

- EDULINX (Alberta Student Loan service provider) at 1-866-827-0310
- the Awards Officer at your post-secondary institution
- our website at [www.alis.gov.ab.ca](http://www.alis.gov.ab.ca)
- the Student Funding Contact Centre: in Edmonton call 427-3722 or toll free in Canada, call 1-800-222-6485
- e-mail the Student Funding Contact Centre using the secure **e-Contact** service

- your nearest Alberta Service Centre or Canada-Alberta Service Centre

#### Canada Student Loans:

National Student Loans Service Centre at:

- 1-888-815-4514 if attending a public institution (university, community college)
- 1-866-587-7452 if attending a private institution (career/business college, trade school)
- or visit [www.canlearn.ca](http://www.canlearn.ca)

### EDULINX Website Service for Students

EDULINX has a secure, self-serve website that allows you to access and view information on your direct Alberta Student Loans only. This website at [www.edulinx.ca](http://www.edulinx.ca) allows you to:

- complete on-line **Entrance and Exit Counselling** sessions to learn about your student loan responsibilities
- update your personal contact information
- determine if your current **cash**ed Alberta Student Loan funds have been either:
  - deposited into your bank account, or
  - mailed to you as a cheque
- review your direct Alberta Student Loan account and balance
- complete on-line Revision of Terms; change your payment amount, payment term, payment date
- obtain other details about your Alberta Student Loan

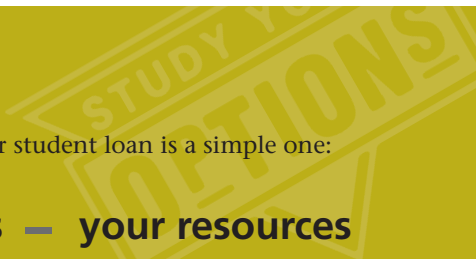
If you have any questions regarding this website, please contact the EDULINX On-Line Services Help Line at 1-866-852-5629 or visit [www.edulinx.ca](http://www.edulinx.ca).



## How Much?

The formula used to decide the size of your student loan is a simple one:

$$\text{your allowable expenses} - \text{your resources} = \text{your assistance} \\ \text{(loans + grants)}$$





# The Reality of Student Loans: You Have to Pay Them Back

## Alberta Student Loans

Your Alberta Student Loan is negotiated with the Government of Alberta through EDULINX, service provider for the Alberta Student Loan program. Any Alberta Student Loans negotiated with Royal Bank remain with Royal Bank and are repaid to Royal Bank. Any Alberta Student Loans negotiated with CIBC remain with CIBC and are repaid to CIBC.

## Canada Student Loans

If you receive a Canada Student Loan, repayment is to the Government of Canada through the National Student Loans Service Centre. Canada Student Loans received from other lending institutions remain with those lending institutions.

## The six most important months of your loan

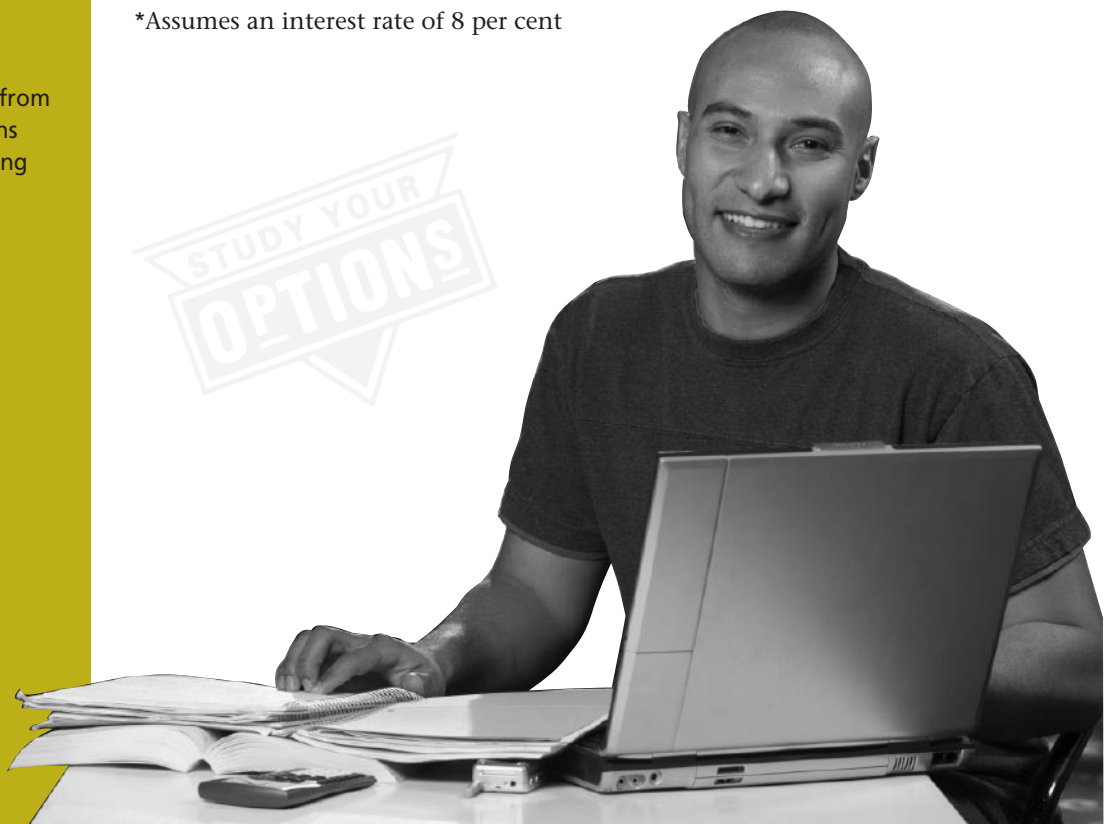
While you are a full-time student, you do not have to make any payments on your student loans. After you leave full-time studies, whether you graduate or not, you have six months before you have to start repaying your loans. However, interest will begin to accrue on the outstanding balance of your Alberta and Canada Student Loans immediately after you leave full-time studies.

### Just the Numbers

If you borrow money, here's the bottom line when it comes time to pay it back:

Size of Student Loan	\$10,000	\$15,000	\$25,000
Monthly payment* (for 5 yrs)	\$203	\$304	\$507
Interest paid over 5 yrs	\$2,180	\$3,240	\$5,420
Monthly payment* (for 10 yrs)	\$121	\$182	\$303
Interest paid over 10 yrs	\$4,520	\$6,840	\$11,360

\*Assumes an interest rate of 8 per cent





YOU DESERVE A BREAK!

# The Alberta Student Loan Relief Program

**T**he Alberta Student Loan Relief Program is designed to ensure full-time post-secondary students complete their studies with a manageable debt level. The Alberta Government may pay a portion of your Alberta Student Loan if you meet certain criteria. This is a provincial program that does not replace the funds issued under the Canada Student Loan Program. The program includes two payments:

## 1. Alberta Student Loan Relief Benefit

This is a payment made to first-time, first-year, full-time students. The benefit will be paid in the first year of your program if you qualify for \$7,140 or more per academic year (or \$3,570 in a semester in programs less than a year) in provincial or combined provincial and federal loans.

**Students will be required to repay the Alberta Student Loan Relief Benefit if they do not complete their first year of studies.**

## 2. Loan Relief Program Completion Payment

This is an automatic loan relief payment made when a student completes (graduates or leaves) their full-time studies. To be eligible, you must have been issued an Alberta Student Loan and your Alberta and Canada Student Loans must be greater than the established debt limit for your program. This debt limit is set by the Alberta Government and varies according to academic program.

## The Five Most Important Minutes of Your Financial Year

If you are a continuing full-time student with previous student loans and if you are not getting another student loan this year, you have to fill out two forms to keep your previous student loan in interest-free status.

**Schedule 2** is for your previous Canada Student Loan and **Form B** is for your previous Alberta Student Loan.

You can get both forms at your school's financial aid office. Send these forms to EDULINX and/or the National Student Loans Service Centre. You will not have to make payments while you are in school full-time. Five minutes of paperwork is worth it!





## Help during repayment

### A NEW PROGRAM TO HELP YOU

Effective April 1, 2007, if you take a break from full-time studies for parental leave, you may apply for interest free status on your Alberta Student Loans.



**if**

you are having trouble making payments, or think you will have trouble in the future, you don't have to miss payments on your loan. Talk to EDULINX and/or your lending institution about these programs and options.

#### Interest Relief

Getting **Interest Relief** is like returning to student status. For a little while, you get a break from making payments and your loan is in interest free status. It covers times when you're looking for work, get laid off, or have a temporary money crisis (like a medical emergency).

#### Revision of Terms

You may be able to negotiate a **Revision of Terms**, which lowers your monthly payments and gives you a longer period to pay back your loan. Remember, though, the longer you take, the more interest you pay.



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