



Canada Student Financial Assistance Program Updates

Presentation to the Canadian Association of Student Financial Aid
Administrators (CASFAA)

June 16, 2022

Presentation Overview

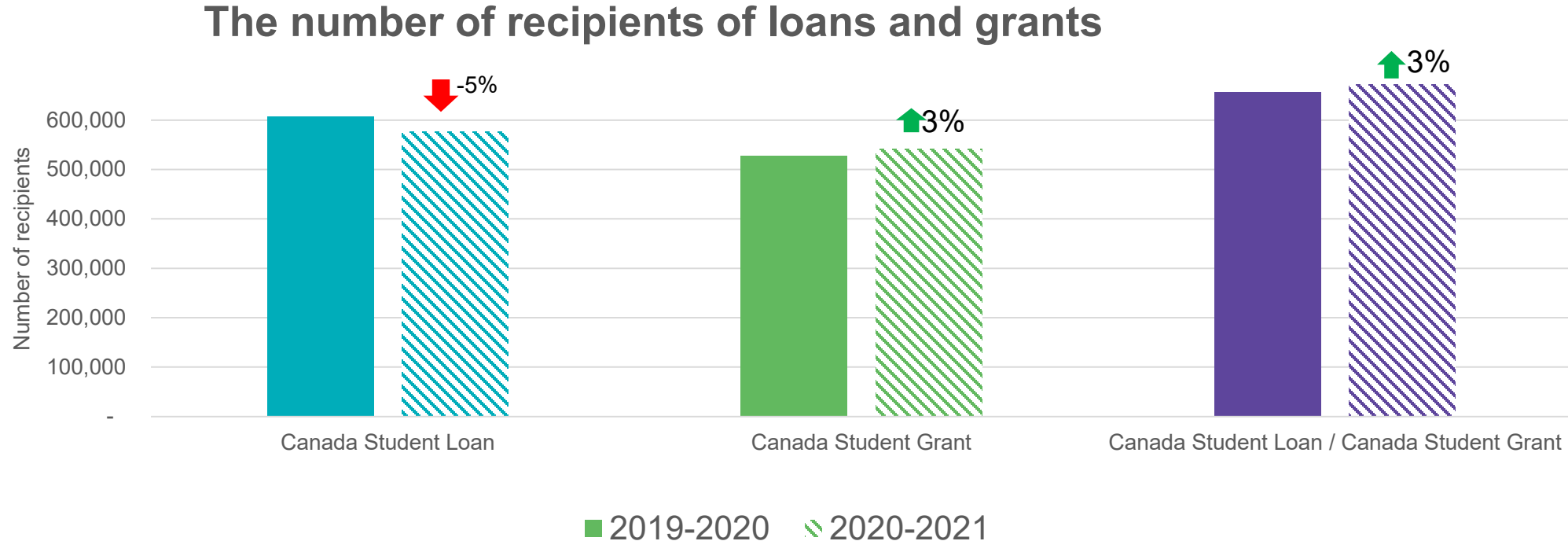
1. Key Trends in Federal Student Financial Assistance (SFA)
2. Canada Student Financial Assistance (CSFA) Program Updates
3. Financial Literacy
4. Service Modernization



1. Key Trends in Federal SFA



The federal SFA landscape changed significantly during the pandemic year of 2020-21

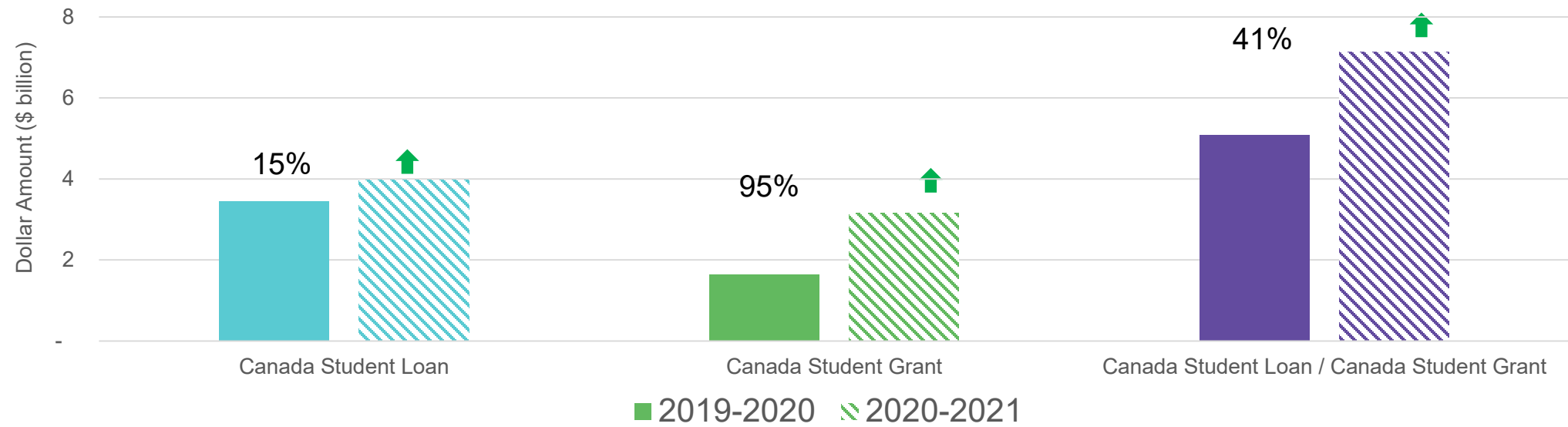


- The overall increase in the number of federal loan/grant recipients was 3%;
- The number of federal grant recipients also increased by 3%, from 528,000 to 542,000;
- The number of federal borrowers decreased from 608,000 to 576,000, by 5%, which is rare in the recent history of Canada Student Loans.



The pandemic relief measures by the Federal Government led to \$2 billion (40%) increase in loans and grants

The dollar amount of federal loans and grants

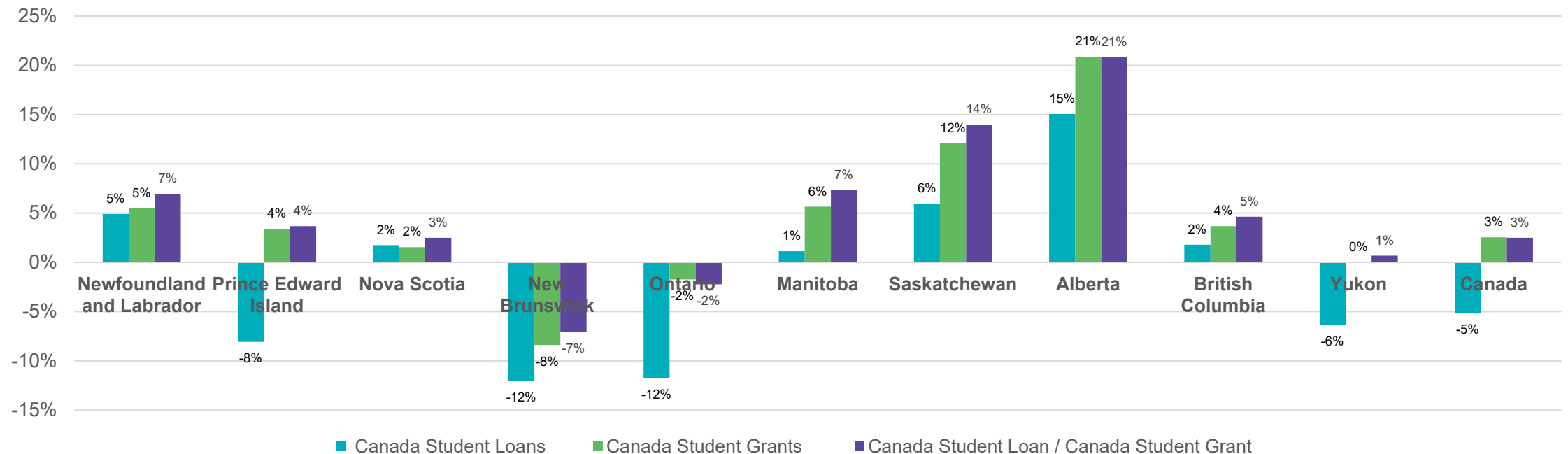


- The total amount of federal loans and grants reached \$7.2 billion in 2020-21;
- The amount of federal grants increased by 95% thanks to doubling of most CSGs;
- Despite the decreased number of borrowers, the total amount of federal loans increased by 15% to \$4 billion, due to the one-time increase of weekly loan limit.



The impact of the pandemic on federal SFA recipients varies across P/Ts

% change in number of loan/grant recipients by provinces and territories from 2019-20 to 2020-21

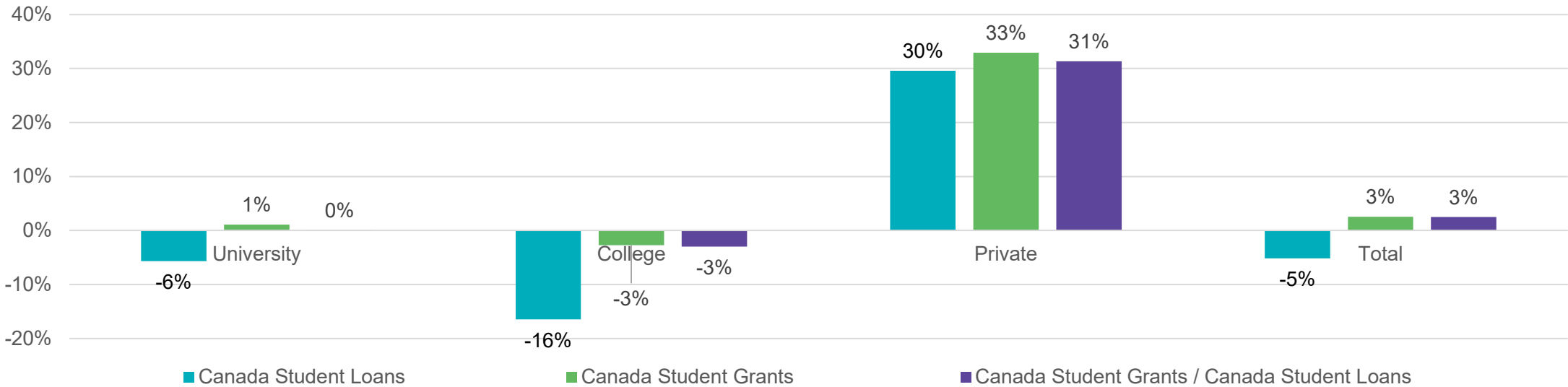


- The number of federal SFA recipients increased in AB, SK, MB and NL, but decreased in ON and NB.



Decreases in federal SFA recipients attending universities and colleges in contrast to huge increases in private institutions

% change in number of recipients by institution types from 2019-20 to 2020-21



- Federal SFA recipients attending private institutions increased in all jurisdictions, most significantly in SK (108%), AB (57%) and MB (40%).



Key Trends in Federal SFA

❑ In summary, since the onset of the COVID-19 Pandemic:

- Increase in number of loan/grant recipients
- Increase in loan and grant dollars
- Varying impacts across P/Ts
 - AB, SK, MB and NL saw increases to number of SFA recipients
 - ON and NB saw a decrease
- Significant increase in number of SFA recipients attending private institutions (vs. universities and colleges)



2. CSFA Program Updates



CSFA Program Updates: Budget 2021 Implementation

❑ **As announced in Budget 2021, the Government of Canada will expand access to CSFA Program disability supports for students with persistent or prolonged disability**

- Students with disabilities face some of the highest costs and most significant barriers to long-term success.
- Every year, the CSFA Program supports over 75,000 students and borrowers with permanent disabilities through enhanced grants and repayment assistance, but these supports have not been available to students whose disabilities are not lifelong.
- The Government committed to extend disability supports under the CSFA Program to recipients whose disabilities are persistent or prolonged, but not necessarily permanent.
- This change will benefit an estimated 40,000 recipients with non-permanent disabilities each year through access to up to \$22,000 (\$24,000 currently) in grants, as well as other in-study supports, and specialized repayment assistance on their loans.
- These measures will come into force on August 1, 2022.



CSFA Program Updates: Budget 2021 Implementation

- ❑ **The CSFA Program is also working on enhancing the Repayment Assistance Plan (RAP) as announced in Budget 2021 which included:**
 - An increase in the RAP threshold to \$40,000 (from \$25,000) for single borrowers;
 - Adjusting the thresholds for the other family sizes to match those of Canada Student Grants (CSGs);
 - Indexing the thresholds to inflation; and
 - Reducing the cap on monthly student loan payment from 20% of household income to 10%.
- ❑ The regulatory process to give effect to this measure is underway, aiming for implementation by November 1, 2022.



CSFA Program Updates: Manitoba Integration

One Student, One Loan Approach:

- **Phase 1 July 2022:** Integrated Master Student Financial Assistance Agreement (MSFAA) and disbursements for Manitoba borrowers by the NSLSC.
- **Spring 2023:** Existing borrowers' account to be migrated to the NSLSC.

Minimal Impact to Educational Institutions:

- Manitoba will continue to manage the application process and confirm enrolments.
- Streamlined management, via NSLSC, of disbursement, returning funds due to early withdrawal, continuation, reinstatement, etc.

Communications:

- Information to be posted online via NSLSC and Manitoba Student Aid.



CSFA Program Updates: Budget 2022

- Since 2013, Canada Student Loan (CSL) Forgiveness has provide federal student loan debt forgiveness to **family doctors and nurses**. This measure complements existing provincial, territorial, and federal efforts to address the complex issue of the shortage of health care professionals in rural or remote communities
- To be eligible, family doctors and nurses must provide in-person services for a **minimum of 400 hours in an under-served rural or remote community** in each year they claim debt relief.

Family doctors
Residents in family medicine

Up to \$40,000 in debt relief over 5 years
(\$8,000 per year)

Nurse practitioners
Registered nurses
Registered psychiatric nurses
Registered practical nurses
Licensed practical nurses

Up to \$20,000 in debt relief over 5 years
(\$4,000 per year)

CSFA Program Updates: Budget 2022

- Budget 2022 announced three enhancements to CSL Forgiveness:
 1. A **commitment to increase maximum debt relief by 50%** for family doctors and nurses practicing in rural communities. This measure, which is funded, will be implemented in 2023-2024.
 2. **An announcement that the list of professions eligible for CSL Forgiveness will be expanded**, with details to be announced in the coming year.
 3. **An announcement that the definition of rural communities will be reviewed** to ensure it does not leave out certain communities in need.



CSFA Program Updates: Budget 2022

Engagement on CSL Forgiveness:

- The CSFA Program is engaging with stakeholders on CSL Forgiveness throughout Spring and Summer 2022.
- As part of this engagement, we would like to learn more from CASFAA about what you have heard about this measure.

Questions for CASFAA on CSL Forgiveness:

- What are your impressions of the existing Canada Student Loan Forgiveness for Doctors and Nurses benefit?
- What have you heard from students and your membership about what motivates recent graduates in health fields to move to rural/remote areas?



3. Financial Literacy



Financial Literacy Context

Research suggests that:

- Misconceptions about the costs and benefits of PSE, coupled with risk- and debt-aversion toward student loans can serve as a strong disincentive to PSE participation.
- Lower-income Canadians are more likely to overestimate the costs and underestimate the benefits of PSE.
- A barrier to pursuing PSE is loan aversion, particularly among newcomers to Canada and low-income Canadians.



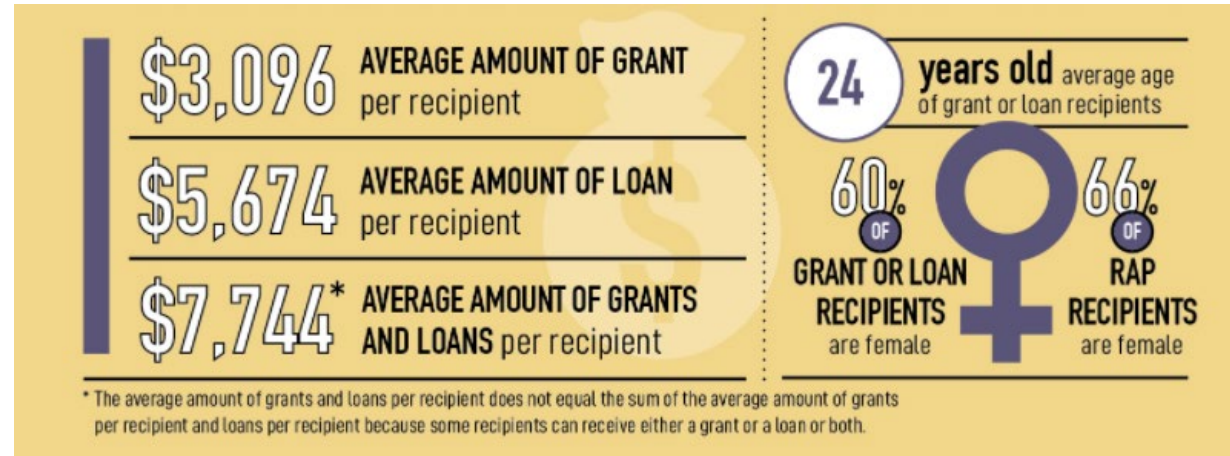
We then need to ask ourselves:

- How do we help prospective students pursue PSE?
- How do we ensure that the financial tools, resources and information are accessible to PSE students?



Financial Literacy & Awareness of CSFA Program Supports

What we know – 2019-20 statistics about Canada Student Grant and Canada Student Loan recipients:



What we know – SFA Context:

- Canadians experiencing barriers may lack awareness of the student financial assistance supports available to them.
- Students typically start applying for student financial assistance before they graduate from high school and have little or no experience managing money. Meanwhile, they are required to accept loan terms and conditions that they don't necessarily understand.
- Youth who graduate from PSE benefit from increased employability.
- Strong financial literacy has intergeneration advantages as it helps parents plan for their children's education. The earlier they start saving, the better.

Financial Literacy & Awareness of CSFA Program Supports

What we are doing now:

- The Government of Canada continues to implement program supports that make PSE more accessible and more affordable to Canadians.



Our Vision:

- Current and prospective student financial assistance (SFA) clients and their families are aware of SFA supports and are equipped with quality SFA information and tools to increase their knowledge so that they can make sound financial decisions regarding financing PSE.



The CSFA Program is improving service to students by providing easier and more convenient online services

As part of the implementation of the multi-year financial literacy plan established in consultation with the Financial Consumer Agency of Canada, the CSFA Program has added the following tools to make financial information needed by loan recipients available:

Enhancements made in 2021-22

- **Launch of live chat:** Clients are able to connect and chat with an agent at the NSLSC regarding their loan(s).
- **Digitization of paper communications & new proactive communications:** Delinquency & the paid in full letters have been digitalized to be delivered to client's secure online account.
- In addition, new communications have been launched for clients in repayment such as the credit basics & staying financially fit.
- **Customize My Payments :** This features is now available for clients who are in non-repayment or in-study to estimate their future payments on their loan(s).
- **Improved Messaging for RAP:** Clients are presented with banner messages on the NSLSC website on their RAP application status.
- **Launch of the NSLSC Twitter Account**
- **NSLSC YouTube Channel (5 new videos)** with RAP information, repayments options and the different stages of the student loan (in-study, non-repayment, and transition to repayment).

Priorities for 2022-2023

- **Secure & Non-Secure Email channel:** This planned feature is to allow clients the option to send both secure & non-secure emails to the NSLSC via their online account to receive a tailored response.
- **Digital Communications:** The program will aim to improve the proactive & targeted communications offered through the NSLSC website.
- **Enhancements to the NSLSC website:** Continued improvements are planned to the NSLSC website, including the option for clients to upload documents & the self-serve option for clients to select interest only payments when in repayment.



Financial Literacy Training Modules – Feasibility Study

- In 2020, the Auditor General of Canada recommended that the department “consult with stakeholders about the costs and benefits of mandatory training for student loan applicants before loans are provided and for student loan recipients who abandon or complete their studies”
- In response, in 2020 and 2021, the department completed consultations with stakeholders about the costs and benefits of mandatory financial literacy training.
- These consultations support the department’s assessment of mandatory training as having the potential to increase the financial literacy of students, but for which further evidence on effectiveness and analysis of implementation options is required.
- In the coming months, the department will be working with key partners to undertake a feasibility study on the potential for mandatory financial literacy training for post-secondary students, with a view to providing an evidence base to inform next steps.



4. Service Modernization



Since 2018 the CSFA program has been working with the Service Provider to deliver incremental improvements

To date, there have been several incremental releases, with more expected over the coming year.

CSFA and the Service Provider work collaboratively in planning and implementing improvements.

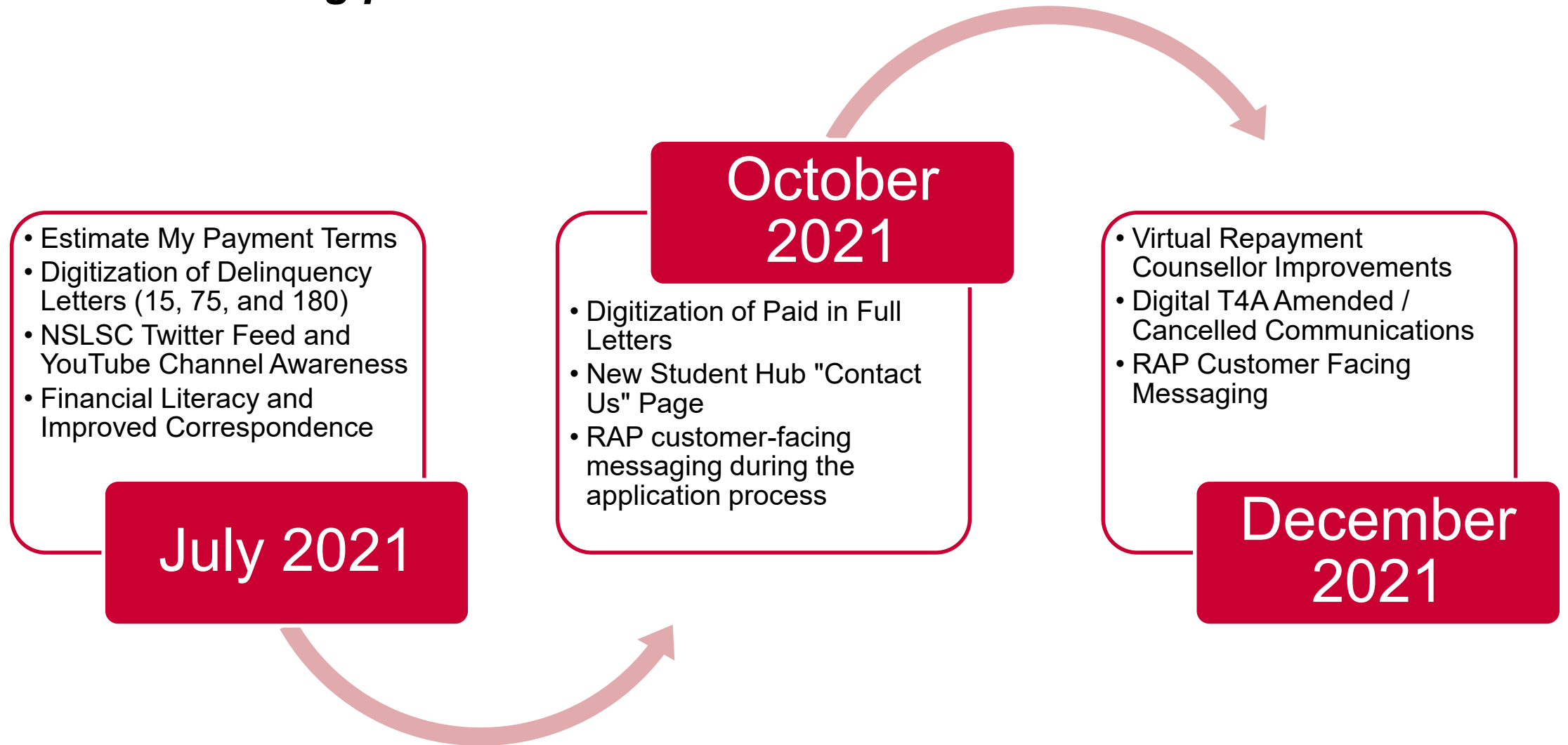


Some of the key areas of focus for improvements are:

- To allow clients to conduct **a wide range of online transactions** through responsive and secure self-serve channels that are GoC accessibility and official languages compliant, supported across multiple devices, and browser agnostic
- Integrate **client information across delivery partners** (NSLSC, ESDC, and P/T partners) through secure, role-based access to online portals
- Use client feedback mechanisms and analytics to **anticipate clients' needs** and trigger **customized, proactive communications** that are tailored and responsive



The NSLSC website continues to be modernized, with the following releases taking place since last June



Looking at the next twelve months, the focus will begin to shift from borrower-facing features to enhancing agent tools

CSFA along with Finastra are working to **modernize the process for Federal Disbursement Approval**, with a targeted implementation for Spring of 2023

FDA

ECE Portal

As part of **modernizing the Electronic Confirmation of Enrollment Portal** additional enhancements will be made to the portal based off of feedback received from CASFAA

The goal of Case Management is to **modernize the tools that CSFA staff used to administer the program**

Case Management

Business Intelligence & Analysis

The goal of Business Intelligence & Analysis is to **modernize the reporting & data analytics** tool used by the program



ECE Portal Enhancements

- CSFA & Finastra are working jointly on implementing the remaining enhancements that had been provided by CASFAA
 - Features that have been implemented to date include the ability to edit student ID numbers & the option for students to enter their student ID when requesting a Confirmation of Enrolment
- The remaining enhancements are prioritized to be implemented in 2023
 - Some examples of the features outstanding are adding “Province of Issue” for unfunded request and clarifying the process for Confirmation of Enrolment.



Delivering on Transformation and Ongoing Business

- Through CASFAA, Transformation and Service Modernization we will continue to keep Student Financial Aid Officers aware of the enhancements that may impact them

