

Application inside

British Columbia Debt Reduction in Repayment Program

Application and Instructions



StudentAidBC

PROGRAM DESCRIPTION

The B.C. debt reduction in repayment program helps people whose income is too low for them to make the required monthly payments on their outstanding British Columbia student loans. It reduces the B.C. student loan principal balance so payments are more affordable.

If you have used up your eligibility under the B.C. interest relief program and have also been out of full-time post-secondary studies for at least five years, you may qualify for B.C. debt reduction in repayment.

ELIGIBILITY

You must meet all of the following criteria to receive B.C. debt reduction in repayment. Please verify with your lender that:

1. You have exhausted all available B.C. interest relief.
2. You have a repayment period of at least 14.5 years (174 months).
3. Five years (60 months) have passed since your most recent period of study end date.
4. Your British Columbia student loan is in good standing.**

****Note:**

As of the date your application is received complete, your B.C. loan must be in good standing.

If you declared bankruptcy after May 11, 2004, you can receive B.C. debt reduction in repayment if you meet all other eligibility criteria.

Applications are not considered complete until all required information is received.

If your student loan application is being audited, the audit must be completed before your application for debt reduction in repayment will be processed. Please respond to the audit letter sent by the verification unit of StudentAid BC.

Federal and provincial student loan overawards are not eligible for B.C. debt reduction.

INSTRUCTIONS AND INFORMATION

Applications must be complete to be considered. If more information or documentation is required, StudentAid BC staff will contact you.

1. Read this instruction and information section carefully.
2. Complete your personal information in Section 1 of the application in ink.
3. Forward your application to the lender or bank holding your guaranteed and risk-sharing B.C. and Canada student loans so they can complete the financial information in sections 2 and 3. Lender addresses are available in this application package.
Important: Put a cover note on the debt reduction in repayment application reminding your lender/service provider to return the application to you after they have completed their sections of the form.
Note: Direct lend B.C. student loans and Canada student loan information will be obtained on your behalf.
4. Once the application has been returned to you by your guaranteed and/or risk-sharing lender, read and complete the declaration in section 4 by signing and dating the application in ink.
5. Attach documentation confirming your yearly family income. This includes your spouse's income (if applicable). Documents should be proof of gross income for the entire year before the month you dated the application. For example, if you complete your application for B.C. debt reduction in repayment in September 2006, you must provide supporting documentation for income received for September 2005 to August 2006. The worksheet included with the application will help you with this step.

Gross monthly family income includes all taxable and non-taxable income from all sources, including employment, child and spousal support, alimony/maintenance, monetary gifts, income from investments, and government benefits such as employment insurance, workers' compensation and employment and income assistance. It **does not include** child tax benefits payments, income tax refunds, goods and services tax rebate and B.C. family benefit payments.

Proof of gross family income includes pay stubs, employment insurance payment statements, social assistance payment statements, letter(s) from employer(s) for yourself and your spouse or partner, and letter(s) from everyone who gave you a monetary gift. A monetary gift also includes any ongoing monthly support you receive from a relative. Photocopies are acceptable.

If you or your spouse are self-employed, please provide a notarized financial statement for the months applicable and, where applicable, your previous year's tax assessment.

If you have reported your gross income as \$0 for particular months, please provide a copy of your previous year's tax assessment and explain in writing how your living expenses were covered. Attach a letter from a third party supporting your statement. The third party must not be a relative. The letter must include an original signature, the writer's printed first and last name, contact phone number and relationship to you.

6. Send the completed, signed application with attachments to StudentAid BC at the address on this application.
7. The minimum debt reduction in repayment amount is \$50 if a payout is applicable.

British Columbia Debt Reduction in Repayment Program

Section 1 – Personal information – to be completed by the applicant Please complete in ink

01 LAST NAME						03 SOCIAL INSURANCE NUMBER							
02 FIRST NAME						INITIALS		04 DATE OF BIRTH		Y Y Y Y M M D D			
05 MAILING ADDRESS (apartment number, street address, or post office box number)													
06 CITY / TOWN				07 PROV		08 POSTAL CODE			09 TELEPHONE NUMBER				
10 FAMILY SIZE (mark box with an X) (1 = applicant only)						11 STATUS (MARK ONE BOX ONLY)							
1 2 3 4 5 6 7 8 9						SINGLE		SINGLE PARENT		MARRIED/ COMMON-LAW		SEPARATED/ DIVORCED/WIDOWED	
12 ANNUAL GROSS FAMILY INCOME						← Please use the worksheet on the last page of this application for assistance.							
\$ _____ , _____ . _____													

Have you ever declared bankruptcy?	<input type="checkbox"/> No <input type="checkbox"/> Yes	If yes, please give the date you entered into bankruptcy	Y Y Y Y M M D D
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ELIGIBILITY

The following criteria must be met to receive debt reduction in repayment:

1. You have exhausted all available B.C. interest relief.
2. You have a repayment period of at least 14.5 years (174 months).
3. Five years (60 months) have passed since your most recent period study end date .
4. Your British Columbia student loan is in good standing.**

**Note: Students who declare bankruptcy after May 11, 2004, can receive B.C. debt reduction in repayment if they meet all other eligibility criteria.

If your student loan application is being audited, the audit must be completed before your application for debt reduction in repayment will be processed. Please respond to the audit letter sent by the verification unit of StudentAid BC.

Federal and provincial student loan overawards are not eligible for B.C. debt reduction.

For ministry use only				Date received by StudentAid BC	
Entered by		Date entered (YYYY/MM/DD)			
Debt reduction award	Recommended	Date (YYYY/MM/DD)			
Approval	Date (YYYY/MM/DD)	B.C. student loan			
Interest		Payment date (YYYY/MM/DD)			

Continued on the reverse ➔

Section 2 – Financial information to be completed by the Canada student loan lender or service provider

Please complete in ink

Loans issued ⇒	before Aug. 1, 1995 (guaranteed)	between Aug. 1, 1995, and July 31, 2000 (risk-sharing)
Canada student loan principal outstanding prior to CSL debt reduction in repayment	\$ _____	\$ _____
Bank stamp Name and address of bank or credit union	Full transit no. _____ - _____	Full transit no. _____ - _____
	Phone: () _____	Phone: () _____
	Fax: () _____	Fax: () _____
	Name of lending official	Name of lending official
	Date signed Y Y Y Y M M D D	Date signed Y Y Y Y M M D D
	Signature of lending official	Signature of lending official
Loans issued ⇒	after Aug. 1, 2000 (direct lend)	
Canada student loan principal outstanding prior to CSL debt reduction in repayment	\$ _____	Name of lending official
Please note: If you have outstanding direct lend B.C. student loans or Canada student loans, StudentAid BC will obtain this information on your behalf.	Full transit no. _____ - _____	Phone: () _____ Fax: () _____
	Date signed Y Y Y Y M M D D	Signature of lending official

Section 3 – Financial information to be completed by the B.C. student loan lender or service provider

Please complete in ink

Loans issued ⇒	before Aug. 1, 1995 (guaranteed)	between Aug. 1, 1995 and July 31, 2000 (risk-sharing)	after Aug. 1, 2000 (direct lend)
Current B.C. student loan principal outstanding as of the application signing date	\$ _____	\$ _____	\$ _____
Original number of months in the amortization period **			
Monthly B.C. student loan payment			
Total interest relief months used to date			
Please note: Guaranteed and risk-sharing B.C. student loans should be held with the same lender listed in Section 2. Information on direct lend B.C. student loans will be requested by StudentAid BC staff on your behalf. ** Original period of amortization must be at least 174 months.	Full transit no. _____ - _____	Full transit no. _____ - _____	Full transit no. _____ - _____
	Phone: () _____	Phone: () _____	Phone: () _____
	Fax: () _____	Fax: () _____	Fax: () _____
	Name of lending official	Name of lending official	Name of lending official
	Date signed Y Y Y Y M M D D	Date signed Y Y Y Y M M D D	Date signed Y Y Y Y M M D D
	Signature of lending official	Signature of lending official	Signature of lending official

Section 4 – Declaration – to be completed by the applicant

Please complete in ink

I understand that by signing below it means:

I wish to be considered for the debt reduction in repayment program of StudentAid BC and my signature means that all of the information provided in this application is complete, correct and accurate in every detail.

I understand that withholding relevant data or providing false or misleading data in this application or otherwise in support of this application shall be grounds for the Government of British Columbia to revoke my eligibility for this program. The Government of British Columbia may in that case request immediate payment in full of the B.C. student loan principal and accrued interest, and if necessary, proceed to legal enforcement of payment

I understand that all information provided in this application is subject to audit and verification. If my file is under audit, it may delay or prevent processing of the application.

If I have entered into any agreements under StudentAid BC or the B.C. Student Assistance Program, or signed any promissory notes while I was a minor, I hereby ratify those agreement and notes.

For the purpose of verifying and/or investigating information pertaining to this application, related documents and the eventual repayment of my loan awards, whether defaulted or not, and any other money repayable, I consent to the exchange of information between the Ministry of Advanced Education (or its agent) and following agencies: Canada Revenue Agency; Land Title and Survey Authority of B.C.; Corporate and Personal Property Registry; Citizenship and Immigration Canada; Drivers Services; Insurance Corp. of B.C.; B.C. Assessment; Human Resources and Social Development Canada; financial institutions; educational institutions and their financial aid offices; credit agencies; WorkSafe BC; Superintendent of Bankruptcy; B.C. Student Loan Service Bureau; National Student Loan Service Centre; Canada Millennium Scholarship Foundation; native bands; Crown corporations; and federal, provincial and municipal ministries, departments and agencies.

Signature of applicant	Print name	Date signed Y Y Y Y M M D D
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Debt reduction in repayment checklist

Before submitting your B.C. debt reduction in repayment program application, please ensure you have:

- Answered all questions neatly and in ink.
- Checked that your social insurance number is correct.
- Attached proof of income documentation for each of the previous 12 months (pay stubs, employment insurance payment statements, etc.).
- Attached any supporting third party letters (relating to months where you have claimed \$0 income).
- Read and signed the declaration above.

Note: Applications must be complete to be considered for B.C. debt reduction in repayment.

Mailing Address	Courier Address
Ministry of Advanced Education StudentAid BC PO Box 9173 Stn Prov Govt Victoria, B.C. V8W 9H7	Debt management unit StudentAid BC 1 st Floor, 835 Humboldt Street Victoria, B.C. V8W 9H2

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Worksheet for proof of income documentation

This worksheet helps you co-ordinate income information and supporting documentation for each of the 12 months before the month you are submitting this application.

If you have reported income for either you or your spouse for a particular month and do not have proof of income, you must explain in writing why you cannot provide this documentation.

Month/ year	Gross family income for month		Documentation included? (yes) (no - state reasons)
	Self	Spouse	
	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	
	\$	\$	
	Self total \$ _____	Spouse total \$ _____	
	\$ _____		← Enter this total into Box 12 in Section 1
	<u>Family income total</u> (Self + spouse total)		



CONTACT INFORMATION

To receive B.C. debt reduction in repayment, you must get financial information from the lending institution holding your guaranteed or risk-sharing B.C. and Canada student loans. This information is not available through your local branch. You must send the B.C. debt reduction in repayment application to one of the addresses below. Direct lend B.C. student loan information will be requested by StudentAid BC staff on your behalf.

CIBC

National Student Loan Centre
PO Box 5055
Burlington, ON L7R 4P3

Phone: 1-800-563-2422

Royal Bank / RBC

Western Student Loan Centre
PO Box 4700 Stn D
Toronto, ON M9A 4x5

Phone: 1-800-363-3822

ScotiaBank

Government Student Loan
Administration Centre
PO Box 9 Stn U
Etobicoke, ON M8Z 5M4

Phone: 1-888-284-3044

Send complete B.C. debt reduction in repayment applications to:

Mailing address:

Debt management unit
StudentAid BC
Ministry of Advanced Education
PO Box 9173 Stn Prov Govt
Victoria BC V8W 9H7

Courier Address:

Debt management unit
StudentAid BC
1st Floor, 835 Humboldt St.
Victoria BC V8W 9H2

Phone:

387-6100 in Victoria
604 660-2610 in the Lower Mainland
1-800-561-1818 toll-free in Canada and
the USA

DEBT REDUCTION CALCULATION

Debt reduction formula: $A \times [1 - (B \div C)]$ where:

- A** is the combined outstanding principal amount of the British Columbia student loan and the Canada student loan
- B** is the affordable payment amount calculated using your gross family income, monthly payments, family size and percentage of provincial debt compared with your overall student loan debt
- C** is the monthly payment due on the B.C. student loan with a repayment period of at least 174 months

Affordable payment amount

- a) Eight per cent of your monthly gross income, if it does not exceed your family size threshold.
- b) In any other case, eight per cent of your family size threshold amount plus 20 per cent of your monthly gross family income that exceeds your family size threshold amount.

Family size	Gross monthly family income
Borrower only	\$1,500
Borrower + 1	\$1,569
Borrower + 2	\$1,663
Borrower + 3	\$1,685
Borrower + 4	\$1,735
Borrower + 5	\$1,781
Borrower + 6	\$1,821
Borrower + 7	\$1,856
Borrower + 8	\$1,885
Borrower + 9 or more	\$1,908

DEBT REDUCTION CALCULATION EXAMPLE

Example of debt reduction in repayment assessment

Single applicant, gross family yearly income of \$20,000, \$15,000 combined (\$9,000 Canada student loan and \$6,000 B.C. student loan) principal outstanding at application date.

$$A = \$15,000$$

$$B = (\$1,500 \times 8\%) + [(\$20,000 \div 12) - \$1,500] \times 20\% = (120) + (33) = \$153$$
$$\$153 \times 40\% = \$61.20$$

C = \$203 (B.C. student loan monthly payment based on principal repaid over 174 months from study end date).

$$D = A \times [1 - (B/C)]$$
$$= \$15,000 \times [1 - (\$61.20 \div \$203)]$$
$$= \$15,000 \times [1 - (.30)]$$
$$= \$15,000 \times (.70)$$
$$= \$10,500$$

= Debt reduction award for this student will be \$6,000.

Note: The debt reduction amount calculated will be paid by the provincial government towards your outstanding British Columbia student loan(s). You remain responsible for all other outstanding student loan debts.



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