

## **Debt Assistance Programs**

### **Interest Relief (IR)**

Interest Relief is available for both federal and provincial student loans, if student loan borrowers are having difficulty making their loan payments because of low income. Borrowers apply for IR through their loan provider(s) and while on IR, the Government of Canada and the Province of New Brunswick pay the interest on the student's student loan. IR is normally approved for periods of six months, up to a maximum of 30 months throughout the lifetime of the loan. Extended IR is available in special circumstances. To be eligible for IR, the borrower's total family income must be below a level determined by the family size, and the size of the borrower's monthly loan payments.

### **Debt Reduction in Repayment (DRR)**

Debt Reduction in Repayment is available for both federal and provincial student loans. This is a debt assistance measure that consists of the reduction of the principal amount of your Canada Student Loan by the Government of Canada and a reduction of the principal amount of your New Brunswick Student Loan by the Province of New Brunswick, provided that your loan payments exceed a given percentage of your income, that you have exhausted Interest Relief, and that five years have passed since you completed your studies. The maximum reduction allowed is \$10,000 or 50% of the principal of your Canada Student Loan, whichever is less. The maximum reduction allowed is \$4,000 or 50% of the principal of your New Brunswick Student Loan, whichever is less. Borrowers apply for this benefit through their loan provider(s).