

MANAGING STUDENT DEBT

What is available to help me manage my education debt?

The governments of Manitoba and Canada are working together to ease the burden of education debt by offering two loan remission programs described below. If you apply for Manitoba Student Aid, you are automatically considered for both benefits.

DEBT-REDUCTION MEASURES

Millennium Manitoba Bursary (jointly funded by the Province of Manitoba and the Canada Millennium Scholarship Foundation)

This loan-reduction program is jointly-financed with approximately \$10.7 million per year from the Canada millennium Foundation; and approximately \$8.1 million per year from the Manitoba government. These funds reduce the amount of student loan debt incurred annually. Students who successfully completed the 2005/06 academic year had their loans reduced to approximately \$6,400.

Students who apply for Canada and Manitoba Student Loans are automatically assessed for this loan-reduction program, which is available to all students who study in Canada.

Loan reductions are applied to student accounts by the middle of September each year following their completed study period. For example, eligible students who are awarded a student loan in September 2006 will have a loan reduction applied to their account by September 2007, after they have successfully completed their study period. Awards are applied directly to the student's Canada Student Loan and/or Manitoba Student Loan debt. The loan limit is determined each year based on two things: the total budget for the loan reduction program, and the number of eligible students.

DEBT-MANAGEMENT PROGRAMS

Interest-Relief Programs (Federal and Provincial)

If you are having trouble repaying your Manitoba or Canada Student Loans because you don't have a job or are not earning enough to make your minimum payments, you may be eligible for interest-relief programs offered by the provincial and federal governments. If you are approved, the governments pay the interest on the loan for up to 30 months. You must re-apply for interest relief every 6 months. Extended interest relief is available for up to an additional 24 months.

These programs are available to borrowers living in Canada.

- Applications for Interest Relief for Canada Student Loans are available from the National Student Loans Service Centre.
- Applications for Interest Relief for Manitoba Student Loans issued prior to August 1, 2001 are available from the lender holding the loans.
- Applications for Interest Relief for Manitoba Student Loans issued after August 1, 2001 are available from Manitoba Student Aid.

Reduction in Repayment Programs (Federal and Provincial)

The Debt Reduction in Repayment Programs help borrowers with high debts who are having trouble making their payments on either Canada or Manitoba Student Loans. Borrowers must meet certain eligibility criteria, including participation in the Interest Relief Program and amortization of their loans over an extended period. These programs are available to Canadian borrowers living in Canada. Under the federal and provincial Debt Reduction in Repayment Programs, your Canada and Manitoba Student Loan principals can be reduced by a significant amount.

For more information on the federal Debt Reduction in Repayment Program, contact www.canlearn.ca. For further information on the Manitoba Debt Reduction in Repayment Program, contact Manitoba Student Aid. In Winnipeg call 1 204 945-6321 or toll-free in Manitoba 1 800 204-1685.

Website: www.manitobastudentaid.ca