



Canada Student Loan Repayment Rate Frequently Asked Questions

Starting in the 2013/14 program year the Ministry of Advanced Education will be using the Canada Student Loans Program Repayment Rate as a key indicator to assess the financial risk of designated institutions.

Note: In previous years, the BC Student Loan Default Rate was used as the main performance indicator.

Q: Why is the Ministry changing how it measures the performance of designated institutions?

A: With the recent integration of Canada and BC student loans, the amounts awarded and consolidated are combined. As a result, it is no longer possible to calculate the BC Student Loan Default Rate using the same method as previous years. BC's adoption of the Canada Student Loans Program Repayment Rate is consistent with the national Designation Policy Framework.

Note: An institution's historical BC Student Loan Default Rate will continue to inform the Ministry's annual review of designation.

Q: How is the Canada Student Loans Program Repayment Rate calculated?

A: The Repayment Rate is based on the cohort of borrowers who consolidated their loans and either paid in full or have made regular payments. The cohort's performance is measured annually on July 31. For example, the 2012 Repayment Rate is based on borrowers who consolidated their loans between August 1, 2010 and July 31, 2011.

Q: How does the Repayment Rate differ from the BC Student Loan Default Rate?

A: The Repayment Rate represents the percentage of dollars in good standing – either paid in full or with payments regularly being made. This represents repayment of the federal portion of student loans (federal loan dollars make up about 60 percent of funding available to students). With the Repayment Rate calculation, loan dollars are allocated proportionately to every institution attended by a borrower before they consolidated their loan.

Q: Is the Canada Student Loans Program Repayment Rate used in other provinces/territories?

A: Yes. Most jurisdictions in Canada track and report Repayment Rates using this method.

Q: What is the national average Repayment Rate?

A: For 2012, the national average is 85.2%.

Q: At what rate is an institution considered “high risk” and what are the consequences?

A: The Ministry uses the institution risk zones established by the federal government. Under the current thresholds, institutions with a Repayment Rate less than 60 percent are subject to Ministry intervention and required to submit improvement plans.

Q: Where can I find out the Repayment Rate for different institutions?

A: The Ministry provides each institution with their Repayment data on an annual basis. The federal government publishes Canada Student Loan Repayment Rates for designated institutions on its CanLearn website. You can search by institution name to find Repayment Rates, current and historical, for all institutions with greater than 10 borrowers.

Q: Why are Repayment Rates not reported for some institutions?

A: To protect student privacy the Ministry does not report an annual Repayment Rate for institutions with less than 10 borrowers. These institutions are provided with an average Repayment Rate based on three years of consolidations or an average based on institutions with a similar number of borrowers.

In addition, most new institutions will not have a Repayment Rate. This is because the Repayment Rate method is based on new consolidations in a given cohort and a recently-opened institution may not have recorded new consolidations and therefore would not appear in the Repayment data.