



Student Financial Assistance Loan Repayment Policy Manual

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Government of
Northwest Territories



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SECTION 1: INTRODUCTION

Section 1.01: Purpose

This Policy Manual provides guidance on the Northwest Territories (NWT) Student Financial Assistance Regulations and explains how loans are repaid. In cases where this is a discrepancy between policy and legislation, the legislation shall prevail.

What is the Student Financial Assistance Program?

The Student Financial Assistance (SFA) Program is one of five (5) Income Security Programs delivered by the Department of Education, Culture and Employment (ECE).

The SFA program offers full-time and part-time assistance to Northwest Territories residents attending accredited post-secondary institutions and programs.

What are the Student Financial Assistance Regulations?

The Student Financial Assistance Regulations, R.R.N.W.T. 1990, c.S-20 (the Regulations), are part of the *Student Financial Assistance Act* (the *Act*). The Regulations outline how the Student Financial Assistance program operates and how assistance is delivered to students and collected from student loan borrowers.

What About Other Legislation?

Other legislation that can influence the SFA program is the Access to Information and Protection of Privacy Act (ATIPP) and the Interpretation Act. This list is not inclusive.

Who is Responsible?

The Deputy Minister of Education, Culture and Employment (ECE) is the overall head of the SFA program. Operational responsibility rests with the Director, Income Security Programs.

The Finance Officer, Revenue and Collections, is responsible for managing loan repayment and collection activities in accordance with the *SFA Act*, Regulations and this Policy Manual. This includes interpreting policy, applying legislation, and resolving repayment issues.

When a situation arises that is not addressed by the *Act*, the Regulations, or this Policy Manual, the Finance Officer, Revenue and Collections consults with the Manager, Divisional Financial Services. If further direction is required, the matter is escalated to the Director, Income Security Programs.



Section 1.02: Service Level Commitments

Income Security Programs is committed to providing respectful, timely and accurate service. We aim to:

- Deliver courteous, high-quality service and respond to all inquiries.
- Ensure access to information about all available programs and services.
- Treat all clients with dignity and respect.
- Protect personal information and correct it when errors or omissions occur.
- Use personal information only for the purpose of determining program eligibility.

We will achieve this by:

- See clients within 10 minutes of their scheduled appointment.
- Return telephone and email messages within two (2) business days.
- Issue a written decision on applications for benefits within 25 business days of receipt.
- Provide a detailed statement of loan accounts, including outstanding principal, interest rate and payments made, upon request.
- Conduct audits to ensure the information provided is correct and current.



Section 1.03: How to Use the SFA Loans Policy Manual

This manual groups the Regulations according to themes before providing a brief explanation of those Regulations.

Each section includes the following headings:

- **The Law** – a copy of the Regulation(s)
- **What it Means** – provides details of the Regulation(s)

Each section may also include:

- **Current Practice** – describes what approved practices are in place.
- **Example** – describes “real life” examples of how the Regulation(s) should be used.
- **Note(s)** – outlines any issues or circumstances that a Finance Officer, Revenue and Collections should be aware of.

Amendments

The Student Financial Assistance Loans Policy Manual is a living document that is updated on a regular basis. The date that policies are changed is identified with each amendment in this manual.

Notes

1. The words “must” “shall” and “will” in the Act and Regulations, or in this manual, refer to something that has to be done, there is no discretion.
2. The word “may” in the Act, Regulations, or in the manual will be used to express possibility, opportunity or permission and it is not a requirement.



Section 1.04: Borrower Responsibilities and Other Information

Students should carefully read the conditions of the SFA program, as noted in the Application for Full-Time Student Financial Assistance, the NWT Student Loan Agreement as well as the Applicant Declaration and Consent on the Loan Repayment Incentives Application.

Failure to meet these conditions may result in:

- Ineligibility for:
 - zero percent interest
 - loan remission/forgiveness, and/or
- Repayment of assistance that was previously remised/forgiven

Borrowers must ensure that all documentation submitted to the SFA program is accurate and truthful.

The following actions may be considered fraud:

- Providing false or misleading information/statements
- Failing to fully disclose required information, and/or
- Tampering with documents or committing forgery

Change in Financial or Personal Information

Borrowers must inform their Finance Officer, Revenue and Collections of any changes in any of the following information on their file:

- Mailing address, email address or phone number
- Banking information
- Change in credit card information

Updating banking or credit card information is only required for students who are paying their loans and have already provided this information to their Finance Officer, Revenue and Collections.

Failure to report changes may result in the account falling into arrears and being transferred to the Government of the Northwest Territories (GNWT) Department of Finance, Taxation, Corporate Credit and Collections Division, for further collection activity.

Completing Full-Time Studies

Borrowers must begin repayment of their student loans once they are no longer considered full-time students for a period of six (6) months or longer. Repayment may involve making payments toward the loan balance or applying for remission (forgiveness) if eligible.



A borrower shall contact a Finance Officer, Revenue and Collections within six (6) months of ceasing to be a full-time student. If no contact is made during the six (6) month interest-free period, the SFA program is not responsible for **any** outstanding interest or principal charges that the borrower may incur.

While a borrower is considered a full-time student by the SFA program, their student loan repayment/remission obligations may be suspended.

Copies of Documentation

Borrowers are advised to retain copies of all submitted materials, including:

- Applications and forms
- Official transcripts
- Emails and/or fax confirmation sheets
- Any other documentation provided to the SFA program

This ensures proof of submission in case documents are not received.

Income Tax and SFA Loans

Loans received through the SFA program are not considered taxable income. However, once a borrower begins repayment, they will receive a letter from the SFA program each year stating the amount of interest paid on their loan during the year. This interest payment can be claimed as a deduction on a borrower's income tax.

For specific tax related questions, borrowers should consult with a certified tax professional.

Withholding Income Tax Refunds for Outstanding Debts

The GNWT may withhold a borrower's income tax refund to recover outstanding government debts. Borrowers are encouraged to repay their debts to avoid having their tax refund withheld.



SECTION 2: STUDENT FINANCIAL ASSISTANCE LOAN REGULATIONS

Section 2.01: Interpretations – The Definition of Words

The Law

1. (1) In these regulations,

"Act" means the *Student Financial Assistance Act*;

"approved form" means a form approved by the Deputy Minister;

"approved institution" means an institution approved by the Deputy Minister for the purposes of these regulations that is

- (a) a university or college, or
- (b) a technical, occupational, trade, vocational or other school or college;

"approved form" means a form approved by the Deputy Minister;

"dependant" means the child or stepchild of the student or the student's spouse where the child is financially dependant on the student;

"distance learning program" means a program of studies at an approved institution in which students principally participate other than by physically attending classes at the institution;

"full-time student" means a person who is enrolled as a student in a program of studies at an approved institution for a semester during which the person will be attending and taking at least

- (a) 40% of a full course load of studies at a post-secondary level in the case of a person who has a permanent disability and elects to be considered as a full-time student,
- (b) 60% of a full course load of studies at a post-secondary level in the case of a semester
 - (i) for which the person does not receive student financial assistance,
 - (ii) that begins on or before August 15, 2000 and for which the person receives student financial assistance under the Act.
 - (iii) that begins after August 15, 2000 and on or before August 15, 2004 and that is one of the first four semesters after August 15, 2000 for which the person receives student financial assistance under the Act,
 - (iv) that begins after August 15, 2004 and on or before August 15, 2005

and that is one of the first six semesters after August 15, 2000 for which the person receives student financial assistance under the Act, or

- (v) that begins after August 15, 2005 and for which the person receives student financial assistance under the Act, or

- (c) 75% of a full course load of studies at a post-secondary level in the case of a semester that begins

- (i) after August 15, 2000 and on or before August 15, 2004 and that is a fifth or a subsequent semester after August 15, 2000 for which the person receives student financial assistance under the Act, or
- (ii) after August 15, 2004 and on or before August 15, 2005 and that is a seventh or a subsequent semester after August 15, 2000 for which the person receives student financial assistance under the Act;

"high-performance athlete" means an individual who has achieved, or has been identified as having the potential to achieve, excellence at a world class high-performance sport competition such as the Olympic Games, Paralympic Games, World Championships, Commonwealth Games or Pan American Games;

"high-performance sport" does not include professional sport;

"loan" means

- (a) student financial assistance referred to in section 9 where the person has elected to receive the student financial assistance under that section as a remissible loan,
- (b) a remissible loan referred to in section 15, or
- (c) a needs assessed repayable loan referred to in section 17;

"permanent disability" means any of the following that is expected to remain with the person for the person's life:



- (a) an impairment, including a physical, mental, intellectual, cognitive, learning, communication, or sensory impairment,
- (b) a functional limitation that restricts the ability of a person to perform the daily activities necessary to participate in studies at a post-secondary level;

"persistent or prolonged disability" means any of the following that is expected to last for a period of at least 12 months:

- (a) an impairment, including a physical, mental, intellectual, cognitive, learning, communication, or sensory impairment,
- (b) a functional limitation that restricts the ability of a person to perform the daily activities necessary to participate in studies at a post-secondary level;

"permanent resident" means a permanent resident as defined in the Immigration and Refugee Protection Act (Canada);

"program of studies" means a course or program that is approved by the Deputy Minister and that is of a minimum duration of 12 continuous weeks;

"semester" means

- (a) a period of studies identified by an educational institution of not less than 12 continuous weeks and not more than 26 continuous weeks,
- (b) a period of studies during the spring or summer identified by an educational institution of less than 12 continuous weeks if the student has attended one or more

previous semesters of not less than 12 continuous weeks in the 12 months before the end of that period of studies, or

- (c) in the case of an educational institution that is not in Canada, a period of studies identified by the educational institution that, in the opinion of the Deputy Minister, is equivalent to a period of studies referred to in paragraph (a) or (b);

"spouse" means

- (a) a person to whom a student is married, or
- (b) a person with whom
 - (i) a student has lived in a conjugal relationship continuously for a period of not less than 12 months and
 - (ii) the student has cohabited within the 12 months immediately before the day when the semester to which the student's student financial assistance relates begins;

"upgrading student" means a person who ceases to be a full-time student and enrolls in a program that is

- (a) classified by the approved institution as a full-time academic upgrading program, and
- (b) approved by the Deputy Minister as a full-time academic upgrading program.

19. For the purpose of sections 20 to 31, "borrower" means a person to whom a loan is made.

What it Means

Section 1. and 19. of the Regulations define key words that are used throughout the Regulations.

Words in this Manual

The following are definitions of words and terms used in this manual:

Academic Year

For the purposes of post-secondary education, an academic year is a period of 12 continuous months. An academic year cannot have the same type of semester within the period.

***Example:** April 1, 2025, to March 31, 2026, is considered 12 continuous months. This period cannot have two (2) winter semesters within one (1) academic year.*

**Actually Resident**

A borrower who is physically living, eating, sleeping and carrying their normal activities in the NWT.

Example: To be eligible for loan incentives, you must be actually resident in the NWT.

Assess or Assessment

The procedure that SFA undertakes to determine a student's benefit entitlement or loan payment.

Audit

Verification of the information submitted in the application form.

Bankruptcy

The term used for a person who declares that their financial resources are exhausted and is, therefore, unable to pay their debts.

Borrower

A person who is receiving, or has received, a student loan from the SFA program.

Calendar Month

The same numerical day from one month to the next.

Example: August 3 to September 3 or January 7 to February 7.

Consolidation of Loans

Combining a student's SFA loans.

Consolidation Loan Notice

A document that combines all SFA loans owed by a borrower and outlines the borrower's loan repayment details, including the total amount borrowed, minimum monthly payment amount, interest rate and repayment terms.

Consumer Proposal

A legally binding alternative to bankruptcy in Canada, negotiated with creditors through a Licensed Insolvency Trustee. Once filed, a consumer proposal initiates a legal stay of proceedings, providing immediate protection from creditors and debt collectors.

**Deadline**

The date a student/borrower must submit an application in order to be eligible for SFA benefits or loan incentives.

Dependant

Is a member of a student's family who resides with them at least 50% of the time in each semester the student receives assistance and is financially dependent on the student. This includes a child, stepchild, adopted child or a child a student has legal custody or guardianship of (legal documentation signed by the parents is required). SFA considers a person to be a child until they are 19 years of age. However, if the child is attending secondary school full-time or is permanently disabled, the SFA program may consider them to be a dependant on a case-by-case basis.

Designated Institution

An institution of learning, whether within or outside a province, that offers courses at a post-secondary school level and that is designated by the appropriate authority within that province. Designated educational institutions can include those located outside of Canada.

Distance Learning Program

A post-secondary program of study where teachers and students are not physically in the classroom but use the internet, e-mail or mail to complete a program.

Eligible Course, Program, or Institution

A post-secondary course, program and/or institution approved by the SFA program.

Finance Officer, Revenue and Collections

A staff member responsible for the maintenance of SFA loans. Also referred to as Finance Officer.

Financial Need

A student's education-related expenses minus their total household income (income – education expenses = financial need).

Full-time Employment

A person who receives wages for working 30 hours per week or more, or 120 hours per month or more.

Full-time Student

A student who is enrolled in a post-secondary program taking 60% of a 100% full course load or a student with a disability who is enrolled in a post-secondary program taking 40% of a 100% full course load.



***Example:** If an institution considers 15 credits to be equal to a 100% full course load: A student must be enrolled in nine (9) credits to be considered full-time ($9/15 = 60\%$)*

A student with a disability must be enrolled in six (6) credits to be considered full-time ($6/15=40\%$).

Grant

A sum of money provided for educational purposes, which does not have to be repaid under normal conditions. A grant is also known as a bursary.

Household Income

All sources of money that a student and their spouse receive, with the exception of part time employment, scholarships or Residential School payments.

Household income may be referred to as gross (before taxes and mandatory deductions) or net (after taxes and deductions) income.

Indigenous

Coming from a specific place. NWT Indigenous means, from the Northwest Territories.

Invoice/Recovery

The collection of an SFA overpayment.

Loan

The money students borrow, either remissible or repayable, through the SFA program.

Official Transcript

An official transcript is one that is printed on an institution's official letterhead and bears the embossed or raised seal, date and Registrar's signature.

Ordinarily Resident

Actually residing in the NWT for 12 continuous months or more (not in full-time post-secondary studies). An individual may continue to be considered ordinarily resident of the NWT if:

- They, or their spouse, is working outside of the NWT temporarily but the place of business is located in the NWT
- They, or their spouse, is in approved full-time post-secondary studies and was considered actually or ordinarily resident before they left the NWT.
- Are in K-12 outside of the NWT where the parent who ordinarily resides with the person is actually a resident of the NWT



If a student has been out of the NWT for more than 12 continuous months, but they have not resided in one specific province, territory or country for 12 continuous months, then they are still considered ordinarily resident of the NWT.

Overpayment

Financial assistance issued above and beyond their eligible entitlement. It is important to be aware that administrative errors will be corrected.

Part-time Employment

A person who receives wages for working 29 hours per week or less.

Permanent Residence

The community where students have been living and considered to be their home community.

Post-secondary

Education beyond secondary studies. Post-secondary does not include adult basic education, continuing education, professional development, transitional/bridging or English as a second language.

Pre-authorized Payments

Method where payments are withdrawn from a bank account or charged to a credit card on a weekly, bi-weekly or monthly basis.

Reassessment

A review of the procedure that determines a student's funding entitlement or student loan payment.

Reduced Payment Program

A debt management program offered to eligible borrowers which temporarily reduces their monthly loan payment amount.

Remissible Loan

A loan that may be forgiven by the GNWT if all conditions have been met.

Remission

A non-taxable loan repayment incentive that is offered to eligible borrowers with a remissible loan that are actually residing in the NWT and whereby their remissible loan(s) can be forgiven at a set daily rate applicable to the zone in which they are residing.

**Repayable Loan**

A loan that must be repaid to the GNWT.

Semester

A post-secondary program period ranging from 12 to 26 continuous weeks. Spring and/or summer semesters can be less than 12 weeks in length.

Spouse

A person to whom a student is married or a person with whom a student has lived within a marriage-type (conjugal) relationship (common-law), for a period of 12 continuous months.

An individual immediately becomes their common-law partner if the student previously lived together in a conjugal relationship for at least twelve continuous months. This includes any period that the couple were separated for less than 90 days because of a breakdown in the relationship.

Student Category

The NWT resident group that determines eligibility for assistance. Categories include Northern Indigenous Resident and Northern Resident.

Successful Completion

Successful completion has two meanings: The grade the institution considers a pass for a course; or the percentage (60% or 40%) of a course load a borrower was required to be enrolled in and pass.

Example: Borrowers must pass two courses (40%) or three courses (60%), if five courses are considered a 100% full course load.

Unofficial Transcript

A transcript that contains an “Unofficial Transcript” or “Void” watermark, is not printed on an institution’s official letterhead, and does not contain the registrar’s signature or official seal.

Zero Percent Interest

A non-taxable loan repayment incentive that is offered to eligible borrowers with repayable loans that are actually residing in the NWT.



SECTION 3: LOAN REPAYMENT

Section 3.01: Ceasing Studies

The Law

21. (1) Subject to these regulations, where a borrower ceases to be a full-time student and does not become an upgrading student, no amount on account of principal or interest on a loan is required to be paid by the borrower until the last day of the seventh month after the month in which they cease to be a full-time student.

(2) Subject to these regulations, where a borrower ceases to be a full-time student and becomes an upgrading student, no amount on account of principal or interest on a loan is required to be paid by the borrower until the last day of the seventh month after the month in which they cease to be an upgrading student.

23. (1) A borrower who ceases to be a full-time student and does not become an upgrading student shall advise the Commissioner that they have ceased to be a full-time student before the last day of the sixth month after the month in which they cease to be a full-time student.

(2) A borrower who ceases to be a full-time student, becomes an upgrading student and, after ceasing to be an upgrading student, does not become a full-time student before the last day of the sixth month after the month in which the borrower ceases to be an upgrading student shall advise the Commissioner that they have ceased to be an upgrading student and is not a full-time student before the last day of the sixth month after the month in which they cease to be an upgrading student.

(3) Where a borrower fails to advise the Commissioner that they have ceased to be a full-time student or an upgrading student, as required by subsection (1) or (2), respectively, the balance of the principal amount of the loan outstanding and the interest accrued on the loan shall become due and payable on the first day of the seventh month after the month in which the borrower ceases to be a full-time student or an upgrading student, as the case may be.

(4) The Commissioner may consolidate the loans of a borrower referred to in subsection (1) or (2)

on or after the last day of the sixth month after the month in which the borrower ceases to be a full-time student or an upgrading student, as the case may be.

(5) Where the Commissioner consolidates the loans of a borrower under subsection (4) the Commissioner shall, without delay, send the borrower a loan consolidation notice setting out the terms for repayment of the consolidated loan, including the amount and duration of the payments to be made to discharge the principal amount of the consolidated loan and interest on the consolidated loan.

(6) A loan consolidation notice may be sent to the borrower under subsection (5) at the borrower's most recent indicated address for correspondence, including email or ordinary mail address.

(7) A loan consolidation notice sent under this section or section 25 or 26 is deemed, in the absence of evidence to the contrary, to have been received two weeks after it is sent.

24.1. (1) In this section,

"designated operation" means an operation that is designated for the purposes of paragraph 247.5(1)(a) of the Canada Labour Code;

"reserve force" has the same meaning as in subsection 2(1) of the National Defence Act (Canada).

(2) This section applies in respect of a borrower who is a member of the reserve force.

(3) Notwithstanding subsection 24(1), a borrower who interrupts the borrower's program of studies to serve on a designated operation ceases to be a full-time student on the last day of the month in which the borrower's service on the designated operation ends.

(4) If a borrower is unable to continue in a program of studies within six months after the date the borrower ceases to be a full-time student by reason of the date on which the borrower's service on the designated operation ends, the Deputy Minister may postpone by not more than six months the date



on which the borrower ceases to be a full-time student.

(5) If a borrower is unable to continue full-time in a program of studies as a result of an injury or a disease, or an aggravation of an injury or disease, and the injury, disease or aggravation is attributable to or was incurred during the designated operation, the borrower ceases to be a full-time student on the earlier of the day

- (a) on which the Deputy Minister determines that the injury or disease, or the aggravation of the injury or disease, no longer precludes the borrower from returning to a program of studies; and
- (b) that is two years after the day on which the borrower's service on the designated operation ends.

(6) A borrower shall, no later than 30 days after the receipt of the borrower's posting message provided by the Department of National Defence, notify the Deputy Minister that the borrower will be serving on the designated operation.

(7) Notice under subsection (6) must be in an approved form and must include the following information:

- (a) the borrower's social insurance number;
- (b) a copy of the posting message;
- (c) any further information requested by the Deputy Minister.

(8) The Deputy Minister may extend the period referred to in subsection (6) if circumstances beyond the control of the borrower necessitate a longer period.

27. (5) If the borrower withdraws from their program of studies during a semester before completion of the program or does not attend their program of studies for a semester, the borrower shall

- (a) inform the Deputy Minister of their withdrawal within 30 days of the date of their withdrawal; or
- (b) inform the Deputy Minister of their non-attendance no later than 30 days after the end of the semester.

What it Means

Sections 21., 23., 24.1 and 27. (5) outline the requirements when borrowers cease their full-time studies. These sections also specify provisions for borrowers who interrupt their studies to serve on a designated operation as members of the Reserve Force.

Ceasing Studies

A borrower is no longer considered to be in full-time studies when they:

- Have completed their program of studies
- Are enrolled in part-time post-secondary studies
- Have withdrawn, or are withdrawing from school
- Have taken a semester off
- Are no longer considered a full-time student according to SFA (refer to definition of a full-time student in Section 2)

Starting Repayment of Loans

A borrower must notify their Finance Officer, Revenue and Collections within six (6) months of ceasing their studies to make arrangements to begin repaying their loans. A Consolidated Loan Notice will be issued by email, unless otherwise stated.

Failure to contact the SFA program during the six-month interest-free period may result in the borrower being responsible for any accrued interest or principal charges.

**Change in Residency/Personal Information**

Borrowers must inform their Finance Officer, Revenue and Collections when there is a change in address, phone number and e-mail address.

When a borrower relocates outside the NWT, they must notify their Finance Officer, Revenue and Collections immediately.

Note

If a borrower does not apply within six (6) months of their return to the NWT, they may lose eligibility for loan remission for that period.

Interest-Free Period

Borrowers are entitled to a six (6) month interest-free period upon ceasing full-time studies. During this period:

- No interest is charged on outstanding loan balances.
- Any payments made are applied directly to the principal loan balance.

The table below outlines when the borrower's interest-free period expires and when the first payment is due depending on the month the borrower ceased full-time studies.

Month Borrower Ceased Studies	Interest-free Period Ends	Interest Period Begins	First Payment Due
January	July 31	August 1	September
February	August 31	September 1	October
March	September 30	October 1	November
April	October 31	November 1	December
May	November 30	December 1	January
June	December 31	January 1	February
July	January 31	February 1	March
August	February 28	March 1	April
September	March 31	April 1	May
October	April 30	May 1	June
November	May 31	June 1	July
December	June 30	July 1	August



Section 3.02: Making Payments and Payment Timelines

The Law

20. The principal amount of the loan and interest on the loan shall commence to be payable by the borrower no later than the year in which the borrower has completed their 12th calendar year of study since the commencement of the semester in which the borrower obtained their first loan under the Act.

23. (1) A borrower who ceases to be a full-time student and does not become an upgrading student shall advise the Commissioner that they have ceased to be a full-time student before the last day of the sixth month after the month in which they cease to be a full-time student.

(2) A borrower who ceases to be a full-time student, becomes an upgrading student and, after ceasing to be an upgrading student, does not become a full-time student before the last day of the sixth month after the month in which the borrower ceases to be an upgrading student shall advise the Commissioner that they have ceased to be an upgrading student and is not a full-time student before the last day of the sixth month after the month in which they cease to be an upgrading student.

(3) Where a borrower fails to advise the Commissioner that they have ceased to be a full-time student or an upgrading student, as required by subsection (1) or (2), respectively, the balance of the principal amount of the loan outstanding and the interest accrued on the loan shall become due and payable on the first day of the seventh month after the month in which the borrower ceases to be a full-time student or an upgrading student, as the case may be.

(4) The Commissioner may consolidate the loans of a borrower referred to in subsection (1) or (2) on or after the last day of the sixth month after the month in which the borrower ceases to be a full-

time student or an upgrading student, as the case may be.

24. (1) The repayment of a loan shall commence on the first day of the eighth month after the month in which the borrower ceases to be

(a) a full-time student, in respect of a borrower referred to in subsection 23(1); and

(b) an upgrading student, in respect of a borrower referred to in subsection 23(2).

(2) Subject to subsection (3),

where a borrower does not have a

(a) permanent disability, the period of repayment of a loan must not exceed the applicable period set out in Part 1 of Schedule C; and

(b) where a borrower has a permanent disability, the period of repayment of a loan must not exceed the applicable period set out in Part 2 of Schedule C.

(3) The Commissioner, on the application of the Deputy Minister, may extend the period of repayment of a loan for a period that does not cause the extended period of repayment to exceed a period terminating 14 years and seven months after the borrower ceased to be (a) a full-time student, in respect of a borrower referred to in subsection 23(1); or (b) an upgrading student, in respect of a borrower referred to in subsection 23(2).

(4) The Deputy Minister, with the consent of the borrower, may determine a period of repayment of a loan that is shorter than the applicable period of repayment established in subsection (2).

(5) A borrower who wishes to repay the whole or a part of the consolidated loan at a time before the expiration of the period of repayment specified in the loan consolidation notice, may do so without penalty.

What it Means

Sections 20., 23. (1) to (4), and 24. of the Regulations outline when loan repayment must begin and the repayment terms.

**Pre-Authorized Payments**

Borrowers can arrange to have a pre-authorized payment taken from a bank account or through a credit card (Visa or MasterCard). If a borrower selects to use this payment method, they must complete a **Pre-Authorized Payment Form** or **Credit Card Authorization Form** and submit it to their Finance Officer, Revenue and Collections.

Online Banking

Borrowers can arrange to make loan payments through their online bank account. If a borrower elects to use this payment method, they must set up the GNWT as a payee.

The following provides the appropriate payee's name for the GNWT with the five (5) main banks:

- BMO Govt of the Northwest Territories
- CIBC Govt of Northwest Territories
- RBC Govt of the Northwest Territories
- Scotia Bank Govt of the Northwest Territories
- TD Canada Trust Government of Northwest Territories

In-Person Payments

Borrowers can make loan payments in person at the following locations:

Community	Office	Street Address	Payments Accepted
Fort Simpson	ECE Service Centre	Dehcho Regional Education Centre	Cheque Money Order
	Department of Finance	Nahendeh Building, 9706-100 Street	Cheque Money Order Debit Card Credit Card
Fort Smith	ECE Service Centre	Sweetgrass Building, 179 MacDougall Street	Cash Cheque Money Order
	Department of Finance	Métis Building Campsell Street	Cash Cheque Money Order Debit Card
Hay River	ECE Service Centre	8 Capital Drive	Cheque Money Order
Inuvik	Department of Finance	MACA Building 43 Veterans Way	Cash Cheque Money Order Debit Card



Community	Office	Street Address	Payments Accepted
			Credit Card
Norman Wells	ECE Service Centre	Edward Hodgson Building 1B Rave Avenue	Cheque Money Order
Yellowknife	Department of Finance	3 rd Floor YK Centre	Cash Cheque Money Order Debit Card Credit Card
	Student Financial Assistance	1 st Floor Lahm Ridge Tower 4501-50 Avenue	Cash Cheque Money Order Debit Card Credit Card

Mailing Payment

Borrowers may submit payments by cheques or money orders, made payable to the Government of Northwest Territories. Payments must include either the customer ID number or the top portion of the invoice, if applicable, and should be mailed to the SFA office.

Lump Sum Payments

There is no penalty if a borrower decides to make a lump sum payment toward their student loan. However, minimum monthly payment outlined in the Consolidated Loan Notice must still be maintained.

Non-Sufficient Funds Charge

For each payment that is returned due to non-sufficient funds (NSF), a charge of \$25 will be added to the next payment. Borrowers experiencing financial difficulty are encouraged to contact their Finance Officer, Revenue and Collections.

Paying a Loan Off Early

A borrower may repay all or part of any loan before the end of the repayment term and they may do so without penalty.

Note

Any portion of a remissible loan that is repaid voluntarily is no longer eligible for remission (forgiveness).



Repayment Timeline

Refers to the period beginning when a borrower ceases full-time studies and ending once the student loan is fully repaid.

There are two repayment timelines:

- Standard - Applies to borrowers without a permanent disability.
- Modified - Applies to borrowers with a permanent disability, who may be eligible for extended repayment terms under the SFA program.

The following tables set out the timeline a borrower must repay their loan:

Borrower without a Permanent Disability

Total Amount Borrowed	Term
Does not exceed \$1,500	1 year
Exceeds \$1,500 but does not exceed \$3,000	2 years
Exceeds \$3,000 but does not exceed \$5,000	3 years
Exceeds \$5,000 but does not exceed \$10,000	4 years
Exceeds \$10,000 but does not exceed \$15,000	5 years
Exceeds \$15,000 but does not exceed \$20,000	6 years
Exceeds \$20,000 but does not exceed \$25,000	7 years
Exceeds \$25,000 but does not exceed \$30,000	8 years
Exceeds \$30,000 but does not exceed \$35,000	9 years
Exceeds \$35,000 but does not exceed \$40,000	10 years
Exceeds \$40,000 but does not exceed \$45,000	11 years
Exceeds \$45,000 but does not exceed \$50,000	12 years
Exceeds \$50,000 but does not exceed \$55,000	13 years
Exceeds \$55,000	14 years

**Borrower with a Permanent Disability**

Total Amount Borrowed	Term
Does not exceed \$750	1 Year
Exceeds \$750 but does not exceed \$1,500	2 years
Exceeds \$1,500 but does not exceed \$2,500	3 years
Exceeds \$2,500 but does not exceed \$4,000	4 years
Exceeds \$4,000 but does not exceed \$7,500	5 years
Exceeds \$7,500 but does not exceed \$11,000	6 years
Exceeds \$11,000 but does not exceed \$14,500	7 years
Exceeds \$14,500 but does not exceed \$18,000	8 years
Exceeds \$18,000 but does not exceed \$21,500	9 years
Exceeds \$21,500 but does not exceed \$25,000	10 years
Exceeds \$25,000 but does not exceed \$28,500	11 years
Exceeds \$28,500 but does not exceed \$32,000	12 years
Exceeds \$32,000 but does not exceed \$32,500	13 years
Exceeds \$32,500 but does not exceed \$35,500	14 years
Exceeds \$35,500 but does not exceed \$39,000	14 years
Exceeds \$39,000 but does not exceed \$42,500	15 years
Exceeds \$42,500 but does not exceed \$46,000	16 years
Exceeds \$46,000 but does not exceed \$49,500	17 years
Exceeds \$49,500 but does not exceed \$53,000	18 years
Exceeds \$53,000 but does not exceed \$56,500	19 years
Exceeds \$56,500	20 years



Section 3.03: Interest Rates

The Law

29. (1) Subject to these regulations, no interest is payable by a borrower on a loan in respect of a period during which the borrower is a full-time student or an upgrading student.

(1.1) Subject to these regulations, a borrower may, in an approved form, apply, not later than April 15 or October 15, to waive any interest payable by the borrower on a loan for the six-month period following April 15 or October 15, as applicable.

(1.2) Subject to these regulations, no interest is payable by a borrower on a loan in respect of

- (a) a period of six months beginning on the day on which the borrower ceases to be a full-time student or an upgrading student; and

- (b) additional consecutive periods of six months during which the borrower is actually resident in the Northwest Territories.

(2) The rate of interest payable by a borrower on a loan shall be a rate that is 1% less than the prime rate, as determined and published by the Bank of Canada, in effect on the first day of January of the year in which the student ceases to be a full-time student.

(3) For greater certainty, no interest is payable by a borrower in respect of a remissible loan that is remitted under section 27.

What it Means

Section 29. of the Regulations explains the loan interest rates for borrowers.

Interest Rate

The interest rate on a student loan is determined in the calendar year a borrower ceases to be considered a full-time student. It is calculated at 1% below the Bank of Canada's business prime rate on January 1 of that year.

If a borrower returns to full-time studies and does not receive additional funding through the SFA program, their interest rate will remain the same as the original rate when they once again cease to be a full-time student.

Calculation of Interest

Interest is calculated using a simple daily interest formula:

$$\frac{(\text{Principal Balance Outstanding}) \times (\text{Interest Rate}) \times (\# \text{ of days since last payment})}{365 \text{ days}}$$

How Payments Are Applied to Loan and Interest

Loan payments are applied in the following order:

1. Interest owing
2. Principal loan balance

As the principal balance decreases, a greater portion of each monthly payment is applied toward the loan itself rather than interest.

**Making Additional Payments**

Additional payments made by a borrower are applied directly to the principal balance outstanding. Paying off the loan balance faster results in the borrower paying less interest during the term of the loan than if they made minimum monthly payments over the term of the loan.

Historical Repayable Loan Interest Rates

The table below outlines the historical repayable loan interest rates:

Year	Interest Rate
2014	2.00%
2015	2.00%
2016	1.70%
2017	1.70%
2018	2.20%
2019	3.00%
2020	3.00%
2021	1.45%
2022	1.45%
2023	5.45%
2024	4.00%
2025	2.25%
2026	3.45%

Consolidating More Than One Loan

If a borrower has an existing consolidated loan notice and receives additional loans, the loans may be combined into a single consolidated loan notice. When loans are consolidated, a new interest rate is established. The rate is calculated using a weighted average based on the principal amounts of the loans being combined and their respective interest rates, as outline in Section 3.05. The resulting rate is then rounded to the nearest eighth.



Section 3.04: Returning to Full-Time Studies

The Law

25. (1) Subject to subsection (4), where a borrower has received a loan consolidation notice and again becomes a full-time student,

(a) the borrower's obligations under the consolidated loan to pay instalments of principal and interest on the loan are suspended; and

(b) the borrower shall, whether or not an additional loan is made to them, when they again cease to be a full-time student advise the Commissioner before the last day of the sixth month after the month that the borrower ceases to be a full-time student.

(2) For greater certainty, the suspension referred to in paragraph (1)(a) only applies if the borrower's loan is in good standing.

(3) Where the borrower's loan is not in good standing at the time the borrower again becomes a full-time student

(a) the borrower must be issued an invoice for their outstanding arrears;

(b) the borrower must make arrangements for the repayment of the outstanding arrears that are satisfactory to the Deputy Minister; and

(c) the borrower's obligations under the consolidated loan are suspended

(4) Where a borrower has received a loan consolidation notice and again becomes a full-time student, the borrower may elect to continue their obligations under the consolidated loan, unless the borrower receives assistance as a full-time student.

(5) The Commissioner may consolidate the loans of a borrower referred to in subsection (1), other

than any outstanding arrears, on or after the last day of the sixth month after the month in which the borrower ceases to be a full-time student.

(6) The terms of a newly consolidated loan referred to in subsection (5) shall, subject to these regulations, determine the amount and duration of the payments to be made to discharge the outstanding principal amount of the consolidated loan and interest on the consolidated loan at a rate that is

(a) Where an additional loan has not been made to the borrower since the date of the former loan consolidation notice, the rate set out in the former loan consolidation notice; or

(b) Where an additional loan has been made to the borrower since the date of the former loan consolidation notice, the weighted average of the rate, determined in accordance with subsection 29(2), in respect of the additional loans that have not previously been consolidated, and the rate set out in the former loan consolidation notice.

(7) On consolidating the loans of a borrower under subsection (5), the Commissioner shall send the borrower a loan consolidation notice in accordance with subsections 23(5) and (6).

27. (2) Where a borrower has received a loan consolidation notice and again becomes a full-time student, the borrower is ineligible to have the remissible loan that is outstanding remitted in accordance with this section, unless the borrower has elected under subsection 25(4) to continue their obligations under the consolidated loan.

What it Means

Sections 25. and 27. (2) of the Regulations explain the rules regarding borrowers returning to full-time studies.

Suspending A Repayable Loan

When a borrower is repaying their student loan(s) and plans to return to full-time studies, they may be able to have their loan obligations suspended (put on hold). The borrower needs to contact their Finance Officer, Revenue and Collections and confirm their full-time student status for each semester.



The borrower does not have to be receiving SFA benefits to have their loan payments put on hold. However, the borrower must be enrolled as a full-time student in an approved, post-secondary program or course at an approved institution. This also includes borrowers enrolled in a full-time upgrading course.

Note

To receive additional assistance through SFA, your student loan repayment and/or remission must be in good standing.

Suspending A Remissible Loan

When the borrower is considered “ordinarily resident” and is returning to full-time studies, their payment obligations and ability to have their remissible loan forgiven may be suspended until they are no longer considered to be a full-time student for a continuous six (6) month period. The borrower should contact their Finance Officer, Revenue and Collections for more information, including the required documents to suspend their loan repayment and/or remission.

When a borrower plans to return to full-time studies, they may be able to continue to have their remissible loan forgiven if:

- They have elected to continue their payment obligations while enrolled in full-time studies
- They are not receiving SFA benefits
- They qualify for remission under the Regulations
- They are actually resident in the NWT while enrolled in full-time studies
- They remain enrolled as a full-time student in an approved institution located in the NWT or in a distance learning program
- Their account is up to date and in good standing

The length of time it will take the borrower to forgive their Remissible Loan is based on the zone and community the borrower resides.

Revolving Loan Limit

The combined limit for Remissible and Repayable Loans is \$90,000. Borrowers may continue to access loans until this limit is reached. If a portion of the loan is repaid, the borrower becomes eligible for additional loan funding up to \$90,000.

***Example:** A borrower has reached the \$90,000 loan limit and returned to the NWT after studies. After residing in Yellowknife for two (2) years, they received \$12,000 in loan remission. The borrower is now eligible to receive \$12,000 in additional loan funding.*

Note

Borrowers must plan how much funding they receive to ensure they retain adequate access within the revolving loan limit of \$90,000.



Section 3.05: Consolidating More Than One Loan

The Law

25. (6) The terms of a newly consolidated loan referred to in subsection (5) shall, subject to these regulations, determine the amount and duration of the payments to be made to discharge the outstanding principal amount of the consolidated loan and interest on the consolidated loan at a rate that is

(a) Where an additional loan has not been made to the borrower since the date of the former

loan consolidation notice; or
(b) Where an additional loan has been made to the borrower since the date of the former loan consolidation notice, the weighted average of the rate, determined in accordance with the subsection 29(2), in respect of the additional loans that have not previously been consolidated, and the rate set out in the former loan consolidation notice.

What it Means

Section 25. (6) of the Regulations set out the rules regarding a borrower consolidating more than one loan. When a borrower has more than one loan, the terms of the newly consolidated loan will determine the repayment amount, duration and applicable interest rate.

Consolidating Loans

If a borrower returns to full-time studies and is accessing SFA funding, their repayment obligations are suspended (on hold) until they cease to be a full-time student for a period of six-months or longer.

Upon ceasing full-time studies, all outstanding loans will be consolidated into a single loan through a Consolidated Loan Notice. The interest rate applied to the consolidated loan is calculated as follows:

- If no additional loan has been issued since the last consolidation, the original interest rate remains in effect.
- If additional loans have been issued, the new interest rate is a weighted average of:
 - The interest rate from the previous Consolidated Loan Notice
 - The rate determined under Section 29(2) of the Regulations for any new loans not yet consolidated

Monthly payments will be based on the total outstanding principal and the weighted average interest rate.

Consolidated Loan Interest Rate Calculation

When multiple loans are consolidated, the new interest rate is calculated using a weighted average based on the principal amounts and their respective interest rates.



The table below provides an example of how the new interest rate will be determined:

	Loan Amount (A)		Interest Rate (B)		Calculated Amount (C)
1 From Previous Loan	\$15,000	x	1.450%	=	217.50
2 New/Current Loan	\$ 8,000	x	5.450%	=	436.00
3 Total	\$23,000		2.750%		653.50

- 1A plus 2A to equal 3A
- 1C plus 2C to equal 3C
- Divide 3C by 3A to get 3B the new interest rate.
- Round interest rate down to the nearest 8th (.125, .250, .375, .500, .625, .75, .875, etc.)
 - In this example, the interest rate in 3B was 2.841% and rounded to the nearest 8th was 2.75%.



SECTION 4: LOAN DEFAULT

Section 4.01: Default

The Law

28.(1) Where the borrower defaults in the payment of an instalment under a consolidated loan and the default continues for 30 days, the balance of the principal amount of the loan outstanding and the interest accrued on the loan shall become due and payable.

(2) Where a borrower has been in default in respect of a loan for a period in excess of three months, the Deputy Minister may take security for the repayment of the loan as a condition of an alteration of the terms for repayment of the loan.

(3) Where the balance of the principal amount of a loan outstanding and the interest accrued on the loan becomes due and payable as provided by subsection (1), the Deputy Minister may

- (a) alter or revise the terms of the consolidated loan;
- (b) dispose of or realize a security taken under subsection (2);
- (c) effect collection of the amount of unpaid principal and interest; or
- (d) with the prior approval of the Commissioner, commence legal proceedings against the borrower or effect a settlement with or grant a

concession to a person other than the borrower.

(4) Where a borrower has defaulted in respect of the repayment of a loan, the right of the borrower to an interest-free period under subsection 29(1) may be revoked by the Commissioner and a new loan may be denied to the borrower unless the borrower shows, to the satisfaction of the Commissioner,

- (a) that, during the 12 months preceding the application for a new loan, the borrower made every effort towards discharging the borrower's obligations under the consolidated loan;
- (b) that the borrower has made full restitution of the principal amount of the loan and the interest accrued on the loan, or a settlement has been paid on behalf of the borrower or a concession granted under paragraph (3)(d), and 12 months have elapsed since the payment of the loan and interest accrued on the loan or a settlement or a concession; or
- (c) that the default was occasioned by reasons beyond the borrower's control.

What it Means

Sections 28. of the Regulations outlines the consequences of loan default and the authority in response to non-payment.

Loan Default

A borrower is considered in default when they fail to meet their loan repayment obligations. Defaulting on a student loan can result in consequences, including:

- Damage to personal credit rating
- Not being eligible for future SFA funding
- Impacts on future lending potential from financial institutions, due to bad credit or debt ratio.

Situations where a borrower's loan can go into default include, but are not limited to the following:

- Receiving their Consolidated Loan Notice late as a result of not informing the SFA office that they have ceased full-time studies



- Not paying their minimum monthly payment every month
- Paying less than their minimum monthly payment
- Payments returned due to non-sufficient funds (NSF)

Note

It is the borrower's responsibility to ensure the Finance Officer, Revenue and Collections has their most current email address on file.

Loan Payment 30 Days Overdue

When a borrower's payments become 30 days overdue, borrowers will receive a Notice of Arrears by email requesting payment be made to bring the account up to date.

Loan Payment 60 Days Overdue

When a borrower's payments become 60 days overdue, borrowers will receive a Formal Demand for Payment of Arrears by email, requesting full payment of all arrears.

Loan Payment Three (3) Months Overdue

When a borrower's payments become three (3) months overdue, their account may be transferred to the Department of Finance, Taxation, Corporate Credit and Collections Division. At this point, SFA is no longer responsible for collections and no longer retains control of the debt.

The Department of Finance may take any or all the following actions in order to collect this account in full:

- Apply Income Tax refunds or GST credits through the Revenue Canada setoff program
- Report the account to credit bureaus (Equifax Canada and TransUnion Canada)
- Forward the account to a collection agency, and
- Proceed with legal action. When judgment is granted the Department of Finance can then proceed with garnishee action of wages and bank accounts

When a borrower's file has been transferred to the Department of Finance, Taxation, Corporate Credit and Collections Division, a borrower may contact them by calling toll free 1-800-661-0820, option 8.



Section 4.02: Reduced Payment Program

The Law

26. (1) Where a borrower informs the Deputy Minister that the borrower will be unable to comply with the terms of a consolidated loan, the Deputy Minister may, subject to these regulations, alter or revise the terms of the consolidated loan but where the alteration or revision would cause the period within which the loan is to be repaid to exceed the applicable period as referred to in section 24, the altered or revised terms of the consolidated loan are

not effective until the extended repayment period is approved by the Commissioner.

(2) Where the terms of a consolidated loan have been altered or revised under subsection (1), the Commissioner shall send the borrower a new loan consolidation notice setting out the terms for repayment, including the amount and duration of the payments to be made to discharge the principal amount of the consolidated loan and interest on the consolidated loan.

What it Means

Sections 26. of the Regulations explains what a borrower can do if they are unable to meet their repayment obligations.

Reduced Payment Program

Borrowers experiencing financial hardship may apply for the Reduced Payment Program.

The Reduced Payment Program may be granted for up to six months at a time, lifetime maximum of 36 months and does not extend the loan repayment terms.

How to Apply for the Reduced Payment Program

To be assessed for the Reduced Payment Program, borrowers must:

- Submit a completed **Application to Reduce Payments** within 60 days of the date the borrower signed the application.
- Provide proof their monthly net income does not exceed the allowable threshold
- Have their loan(s) consolidated and agree to the terms of the repayment terms; and
- Not have exceeded the 36-month lifetime limit for reduced payments.

Additional Information:

- Borrowers in arrears may be assessed for retroactive reduced payments for the previous three (3) months
- Borrowers must submit an application every six (6) months
- The borrower is responsible for making the full principal and interest payments when not eligible for reduced payments
- Borrowers are required to make a minimum payment even when not eligible for reduced payments.



- The borrower is expected to bring their student loan(s) up to date when the reduced payment period expires, and the monthly minimum payment amount will increase.

The following table outlines the monthly total net income level based on the loan payment range for the Reduced Payment Program.

Minimum Monthly Loan Payment	Monthly Total Net Income*				
	Single Person	1 Dependant	2 Dependents	3 Dependents	500 per Additional Dependant
\$15 - \$25	1,750	2,250	2,750	3,250	3,750
\$26 - \$50	1,800	2,300	2,800	3,300	3,800
\$51 - \$75	1,850	2,350	2,850	3,350	3,850
\$76 - \$100	1,900	2,400	2,900	3,400	3,900
\$101 - \$125	1,950	2,450	2,950	3,450	3,950
\$126 - \$150	2,000	2,500	3,000	3,500	4,000
\$151 - \$175	2,050	2,550	3,050	3,550	4,050
\$176 - \$200	2,100	2,600	3,100	3,600	4,100
\$201 - \$225	2,150	2,650	3,150	3,650	4,150
\$226 - \$250	2,200	2,700	3,200	3,700	4,200
\$251 - \$275	2,250	2,750	3,250	3,750	4,250
\$276 - \$300	2,300	2,800	3,300	3,800	4,300
\$301 - \$325	2,350	2,850	3,350	3,850	4,350
\$326 - \$350	2,400	2,900	3,400	3,900	4,400
\$351 - \$375	2,450	2,950	3,450	3,950	4,450
\$376 or more	2,500	3,000	3,500	4,000	4,500

*The family income shown in each category represents a range. For example, under single person, \$1,750 equals a range of \$1,750 to \$1,799.99.



Section 4.03: Death of Borrower and Bankruptcy

The Law

30. (1) In the event of the death of a borrower, or the disappearance of the borrower under circumstances that, in the opinion of the Commissioner, raise beyond a reasonable doubt a presumption that the borrower is dead, the Commissioner shall be entitled only to the amount of the unpaid balance of the principal payable by the borrower on the day of the borrower's death or disappearance, as the case may be, and the interest that has accrued on the loan to that day.

(2) For the purposes of determining the death or disappearance of the borrower, the administrator or executor of the estate of the borrower shall provide the Commissioner with

- (a) evidence of the death of the borrower; or
- (b) evidence satisfactory to the Commissioner of the disappearance of the borrower.

(3) The date of disappearance under subsection (1) shall be determined by the Commissioner on the basis of evidence received under paragraph (2)(b).

(4) A security taken by the Deputy Minister from the borrower under subsection 28(2), shall be transferred to the estate of the borrower on the death or disappearance of the borrower.

31. Where a borrower becomes subject to or takes advantage of a law relating to bankruptcy or insolvency or for the relief of debts, the balance of the principal amount of the loan outstanding and the interest accrued on the loan shall, without delay, become due and payable on the date of the filing of the bankruptcy petition or on the date on which the borrower otherwise becomes subject to or takes advantage of the law, at such rate as may be determined by the Deputy Minister, not to exceed the rate that would have been payable under subsection 29(2) if the Commissioner had consolidated the borrower's loans on that date.

What it Means

Sections 30. and 31. of the Regulations explain what happens in the event of a borrower's death, disappearance or bankruptcy.

Death or Disappearance of the Borrower

In the event of the borrower's passing or presumed death, the GNWT will recover only the principal balance outstanding and accrued interest as of the date of death or disappearance. No additional interest or penalties will be charged under such circumstances.

The executor or administrator of the borrower's estate must provide official documentation confirming the death or, in cases of disappearance, evidence deemed satisfactory by the Commissioner. The Commissioner will determine the official date of disappearance based on the submitted evidence.

Bankruptcy or Insolvency

If a borrower files for bankruptcy or insolvency, the full outstanding principal and accrued interest become immediately due and payable as of the date of the bankruptcy filing or equivalent legal action.

Borrowers must notify their Finance Officer, Revenue and Collections immediately.



Section 5: LOAN REPAYMENT INCENTIVES

Section 5.01: Application Process and Eligibility Requirements

The Law

27. (1) A borrower may apply, in an approved form, to have a loan that is outstanding remitted in accordance with this section if

- (a) the borrower has been actually resident in the Northwest Territories for at least three months before the date of application;
- (b) the borrower has been awarded a remissible loan;
- (c) the borrower has received a loan consolidation notice; and
- (d) the application is made on or before April 15 or on or before October 15 of each year,

for the preceding six-month period.

29. (1) Subject to these regulations, no interest is payable by a borrower on a loan in respect of a period during which the borrower is a full-time student or an upgrading student.

(1.1) Subject to these regulations, a borrower may, in an approved form, apply, not later than April 15 or October 15, to waive any interest payable by the borrower on a loan for the six-month period following April 15 or October 15, as applicable.

What it Means

Sections 27. (1) and 29. (1) outlines the eligibility criteria and deadlines for applying for loan repayment incentives, including loan remission and zero percent interest.

Required Documents

The following documents must be submitted to determine the borrower's eligibility for loan repayment incentives:

- Completed Application for Loan Repayment Incentives
- Proof of residency in the NWT
- Official transcripts (required only with the initial application, or when new loans have been issued since the last submission).

All required documents must be submitted in full. Incomplete applications or missing documentation will result in ineligibility for remission and/or zero percent interest.

Application Deadlines

Borrowers must submit an **Application for Loan Repayment Incentives** by the April 15 and October 15 deadlines each intake. These deadlines apply to both loan remission and zero percent interest benefits. Borrowers who miss the deadline will not receive loan repayment incentives for the applicable period.

Borrowers who do not submit an application prior to the deadline will not be eligible for loan repayment incentives. This means the borrower will not earn loan remission or receive zero-percent interest for the time frame covered by the application deadline.



Application Timeframes

Loan remission is a retroactive benefit, it is applied for the previous six (6) month period.

- April 15 deadline is for the period September 1 to February 28
- October 15 deadline is for the period March 1 to August 31

The Zero percent interest benefit is applied to the upcoming six (6) month period.

- April 15 deadline is for the period March 1 to August 31
- October 15 deadline is for the period September 1 to February 28

Late applications

Late applications are not accepted. Failure to apply by the deadline results in the borrower being ineligible for loan repayment incentives. This includes the remissible loan becoming repayable.

Applications can be submitted outside of the two intake periods for situations listed below.

Applications Outside the Deadlines

A borrower may submit an **Application Loan Repayment Incentives** outside of the application deadlines in the following situations only:

- A borrower who has received their Consolidated Loan Notice after one of the two deadlines.
 - The borrower must apply within one month of receiving their Consolidated Loan Notice. Remission will be applied from the date full-time studies ended (if residing in the NWT during studies) or from the date they returned to the NWT.
- A borrower who has left the NWT outside of the deadline.
 - The borrower must apply within one month of leaving the territory. Remission will end the date the borrower left the territory.
- A borrower who has returned to the NWT outside of the deadline.
 - The borrower must apply within one month of returning to the NWT, remission will be applied based on the date of notification. If the borrower fails to notify their Finance Officer, Revenue and Collections within one month of their return they are not eligible for remission until the next intake period..
- A borrower who has returned to full-time studies outside of the deadline.
 - The borrower must apply within one month of returning to full-time studies.



Section 5.02: Zero Percent Interest

The Law

22. (1) A loan is repayable in instalments that
- repay the principal with interest at the rate referred to in subsection 29(2) within the time period determined under section 24;
 - are payable monthly; and
 - are in the amounts set out in the applicable loan consolidation notice referred to in subsection 23(5), 25(2) or 26(2).
- (2) Each instalment referred to in subsection (1) shall be applied first against the interest accrued to the date of payment and then to the balance of the principal outstanding. R-048-2000,s.11.
24. (1) The repayment of a loan shall commence on the first day of the eighth month after the month in which the borrower ceases to be
- a full-time student, in respect of a borrower referred to in subsection 23(1); and
 - an upgrading student, in respect of a borrower referred to in subsection 23(2).
- (2) Subject to subsection (3),
- where a borrower does not have a permanent disability, the period of repayment of a loan must not exceed the applicable period set out in Part 1 of Schedule C; and
 - where a borrower has a permanent disability, the period of repayment of a loan must not exceed the applicable period set out in Part 2 of Schedule C.
- 29.(1.1) Subject to these regulations, a borrower may, in an approved form, apply, no later than April 15 or October 15, to waive any interest payable by the borrower on a loan for the six-month period following April 15 or October 15, as applicable.
- (1.2) Subject to these regulations, no interest is payable by a borrower on a loan in respect of
- a period of six months beginning on the day that the borrower ceases to be a full-time student or an upgrading student; and
 - additional consecutive periods of six months that the borrower has applied for under subsection (1.1) during which the borrower is actually resident in the Northwest Territories.

What it Means

Sections 22., 24., and 29. of the Regulations outline the eligibility requirements and application process for zero percent interest. This benefit allows eligible borrowers to have interest waived on their repayable student loans for defined six-month periods, provided they meet residency and application requirements.

Zero Percent (0%) Interest Benefit

Borrowers with repayable/remissible loans may be eligible for the zero percent interest benefit if they are actually residing in the NWT. This benefit is not applied automatically.

Borrowers must submit a completed **Application for Loan Repayment Incentives** to have zero percent interest applied to their loan(s).

Eligibility

To be eligible for the zero percent (0%) interest benefit, the borrower must:

- Have entered into a Consolidated Loan Notice
- Actually reside in the NWT for a period of at least three (3) continuous months
- Submit a completed **Application for Loan Repayment Incentives** by the deadline, and
- Provide proof NWT residency (when required).



Zero Percent Interest Period

Zero percent interest is applied for the upcoming six (6) month period.

The following shows the remission period for each intake period:

- April 15 deadline is for the period March 1 to August 31
- October 15 deadline is for the period September 1 to February 28



Section 5.03: Loan Remission

The Law

27. (6) For greater certainty, no portion of a remissible loan that is applicable to a semester may be remitted, notwithstanding that the borrower provided the notice required by subsection (5), where

- (a) the borrower withdrew from the semester; or
- (b) the borrower did not attend their program of studies

(9) A remissible loan may be remitted after a borrower

- (a) ceases to be a full-time student, in respect of a borrower referred to in subsection 23(1);
- (b) ceases to be an upgrading student, in respect of a borrower referred to in subsection 23(2); or
- (c) makes an election under subsection 25(2), in respect of a borrower referred to in that subsection.

(10) Subject to subsection (9), a remissible loan may be remitted as follows for periods that a borrower is actually resident in the Northwest Territories:

- (a) where the borrower is a resident of a place set out in Part 1 of Schedule E, \$16.44 for each day that the borrower is a resident of that place;
- (b) where the borrower is a resident of a place set out in Part 2 of Schedule E, \$21.92 for each day that the borrower is a resident of that place;
- (c) where the borrower is a resident of a place set out in Part 3 of Schedule E, \$32.88 for each day that the borrower is a resident of that place;
- (d) where the borrower is a resident of a place in the Territories other than one referred to in paragraph (a), (b) or (c), the applicable amount set out in paragraph (a), (b) or (c) for the community referred to in Schedule E that is nearest by all-weather road to the place in which the person resides for each day that the borrower is a resident of that place.

What it Means

Section 27. (6), (9) and (10) of the Regulations outline the conditions under which a Remissible Loan may be forgiven.

Loan Remission

Loan remission, also known as loan forgiveness, is an incentive to help alleviate student debt while residing in the NWT. Borrowers do not have to be employed to be eligible for loan forgiveness.

Loan forgiveness is not automatic. Borrowers must submit a completed **Application for Loan Repayment Incentives** to initiate the remission process. Loans will not be forgiven unless the application is submitted and approved

Eligibility

In order to qualify for loan remission, a borrower must have:

- Have entered into a Consolidated Loan Notice
- Received Remissible Loan(s)
- Actually resided in the NWT for a minimum period of three (3) months; and
- Submit a completed **Application for Loan Repayment incentives** before the deadline, and
- Provide proof of residency (when required).



Remission Period

Loan remission is a retroactive benefit and is applied for the previous six (6) month period.

The following shows the remission period for each intake period:

- April 15 deadline is for the period September 1 to February 28
- October 15 deadline is for the period March 1 to August 31

Reinstating Remission

If a borrower misses the deadline, they will not be eligible to receive the loan remission for the applicable remission period.

However, they may still earn remission for future periods if they submit subsequent applications on time. Loan forgiveness continues until the full remissible loan amount is remitted, provided eligibility is maintained.

Loan Forgiveness Rates

The rate of loan remission is based on the community that the borrower is residing in. The table below is a breakdown of the remissible loan forgiveness rates.

Zone	Communities	Six (6) Month Forgiveness Rate
1	Yellowknife (including N’dilo and Dettah)	\$3,000 (\$16.44/day)
2	Fort Simpson, Fort Smith, Hay River, K’at’odeeche, Inuvik and Norman Wells	\$4,000 (\$21.92/day)
3	Aklavik, Behchokò, Colville Lake, Délı̨ę, Enterprise, Fort Good Hope, Fort Liard, Fort McPherson, Fort Resolution, Gamètì, Jean Marie River, Kakisa, Łutselk’e, Nahanni Butte, Paulatuk, Sachs Harbour, Smbaa K’e, Tsiigehtchic, Tuktoyaktuk, Tulita, Ulukhaktok, Wekweètì, Whatì and Wrigley	\$6,000 (\$32.88/day)

Note

Remission is calculated based on the number of eligible days. The six-month remission amounts noted above represent the typical maximum that may be applied over a six-month period. These figures are approximate and are provided for reference only. Actual remission will reflect the number of days for which an individual qualifies.



Section 5.04: Grace Period

The Law

27. (3) Until the end of the 2022-2023 academic year, the portion of a remissible loan that is applicable to a semester may be remitted if the borrower has been credited by the approved institution that they attended with having passed

- (a) 40% of a full course load of studies at a post-secondary level for the semester, if the borrower was permanently disabled during the semester and elected to be considered as a full-time student; or
- (b) courses at a post-secondary level that when taken together, comprise a percentage of a full course load of studies that is equal to or greater than the applicable percentage of a full course loads of studies that the borrower was required to take during the semester in order to be a full-time student under these

regulations.

(4) After the end of the 2022-2023 academic year, the portion of a remissible loan that is applicable to a semester may be remitted unless the borrower withdrew from or did not attend their courses at an approved institution that semester.

(7) Until the end of the 2022-2023 academic year, the portion of a remissible loan that is applicable to one semester for which the borrower was not credited by the approved institution that the borrower attended with having passed the applicable percentage of a full course load of studies at a post-secondary level set out in the subsection (3), may be remitted.

(8) The one semester limit set out in subsection (7) is for the borrower's lifetime.

What it Means

Section 27. (3)(4)(7)(8) of the Regulations outline the conditions under which a borrower may receive a grace period for loan remission. This provision applies only to Remissible Loans issued prior to the 2023-2024 academic year.

Grace Period

Borrower's who did not successfully complete a semester of post-secondary studies may be eligible for a one-time grace period. This allows them to continue to earn loan remission, despite not meeting the academic completion requirement for that semester. The grace period is valid for one semester during the borrower's lifetime. Borrowers must request that the grace period be applied to the applicable semester.

Grace Period – Post 2022-2023

Beginning with the 2023–2024 academic year, borrowers are no longer required to successfully complete a semester to be eligible for loan remission. However, they must still meet the required course load percentage for the semester. The grace period provision does not apply to loans issued in or after the 2023–2024 academic year.

Multiple Unsuccessful Semesters

If a borrower was unsuccessful in more than one semester, the grace period will be applied to the semester in which they received the highest amount of funding. If the funding amounts were equal, the grace period will be applied to the earliest of the unsuccessful semesters.



Section 5.05: Changing Residency

The Law

27. (1) A borrower may apply, in an approved form, to have a loan that is outstanding remitted in accordance this section if

(a) the borrower has been actually resident in the Northwest Territories for at least three months before the date of application;

(b) the borrower has been awarded a remissible loan;

(c) the borrower has received a loan consolidation notice; and

(d) the application is made on or before April 15 or on or before October 15 of each year, for the preceding six-month period.

What it Means

Section 27. (1) of the Regulations outlines the requirements where a borrower is considered to be actually resident in the NWT.

Residency

A borrower is considered to be actually resident in the NWT, when they are physically living, eating, sleeping and carrying out their normal activities in the territory.

Occasional absences totaling not more than a maximum of three (3) months in a 12-month period are permitted and do not need to be reported. Absences beyond three months in a 12-month period will result in remission ineligibility.

Extended Absences

Absences beyond a maximum of three (3) months are permitted in certain circumstances at the discretion of the Deputy Minister. Borrowers who expect to be outside the territory for more than three months must provide advance notice.

***Example:** If a borrower is seeking treatment or medical care that is not available in the NWT for a period between three (3) to 12-months.*

Moving out of the NWT

Borrowers who plan to leave the NWT must provide notice prior to leaving the NWT. Borrowers will be required to submit proof of the date they left the NWT (e.g., flight itinerary, gas receipts, etc.), submit a final **Application for Loan Repayment Incentives**, and make payment arrangements for the outstanding balance of their loan.

Moving back to the NWT

Borrowers who move to another community within the NWT must report the move, as it may affect the loan forgiveness rate. Proof of the move date must be submitted either at the time of relocation or during the next loan repayment incentives application intake period.

The portion of Remissible Loan that was/should have been repaid while the borrower was residing outside of the NWT is not eligible for forgiveness.



Note

If a borrower residing outside the NWT is repaying both Remissible and Repayable Loans, the payments are applied to each loan equally. When a borrower returns to the NWT, the remissible amount available to be forgiven is calculated at that time.

Moving Within NWT

Borrowers who move to another community within the NWT must notify their Finance Officer, Revenue and Collections of the move, as it may affect the loan forgiveness rate. Proof of the date they moved to the new community either at the time of the move, or at the next loan repayment incentives application intake period, will be required.



SECTION 6: AUDIT

Audits of Student Files

The SFA program routinely audits borrower's files to ensure the accuracy of benefits issued, including repayment of loans. If the borrower is audited, they may be asked for additional information to support the level of benefits that they received.

Verification and Audit

All borrower files are subject to verification and audit. Each year a percentage of files are audited to verify the accuracy of information. Information provided by the borrower must also be verified to confirm residency and other eligibility criteria.

If a borrower's file is verified or audited, the borrower may be required to provide documentation to confirm the information they have submitted is correct. The borrower must submit all required documents by the date provided by the SFA program staff.

If the borrower does not submit the requested information, they will not be eligible for loan repayment incentives until the audit is completed. Borrowers should keep all receipts and supporting documentation that may be needed for audit purposes, such as rent receipts, child support/alimony payment receipts, income statements, etc.

Note

A borrower should read the conditions of their loan repayment incentives, as noted in the Applicant Declaration and Consent on their Application Loan Repayment Incentives and Application for Full-time Student Financial Assistance. If a borrower fails to meet the conditions, the borrower may not be eligible for the loan repayment incentives and/or may be required to immediately repay their loans.

Fraud

Students must be truthful with all information and documentation that they provide to the Finance Officer, Revenue and Collections and other SFA program staff. The following may be considered fraud:

- False or misleading statements
- Failure to fully disclose information, and/or
- Tampering with documents or forgery

Files identified as fraud may be transferred to the GNWT's Audit Bureau for further investigation and may be referred to the RCMP for a formal investigation which could result in charges under the Criminal Code of Canada.

False Information

If the information a student provided in their application and/or supporting documentation are false, the student will be reassessed and/or audited. If it is suspected that a student was defrauding the Government of the Northwest Territories, they may be



reported to the Audit Bureau for investigation. Depending on the amount of money received, the student may be reported to the RCMP for formal investigation, which could result in charges under the Criminal Code of Canada.



CONTACT INFORMATION

Student Financial Assistance

Income Security Programs Division
Department of Education, Culture and Employment
1st Floor Lahm Ridge Tower
4501-50 Avenue

Department of Education, Culture and Employment
P.O. Box 1320
Yellowknife, NT X1A 2L9

Phone: 1-867-767-9355
Toll Free: 1-800-661-0793
Fax: 1-867-873-0336
Toll-Free: 1-800-661-0893

Email: nwtsfa@gov.nt.ca

Website: <https://www.ece.gov.nt.ca/en/services/student-financial-assistance>

Finance Officer, Revenue and Collections (by last name)

A-G	867-767-9355 ext 71310
H-M	867-767-9355 ext 71311
N-Z	867-767-9355 ext 71312

Manager,
Divisional Finances 867-767-9355 ext 71306