



# Summary of the Evaluation of the Canada Student Financial Assistance Program: Loan Repayment

## ABOUT THE PROGRAM :

- ✓ Provides loans and grants to students with financial need who wish to pursue post-secondary education.
- ✓ In response to the COVID-19 pandemic, the Government of Canada provided financial relief to borrowers in repayment through a series of measures.
- ✓ In 2020-2021, the Program distributed **\$6.2 billion** in funds to **763,000 students**. Of this amount, **\$2.9 billion** were disbursed as Canada Student Loans to **558,000 students**.

## EVALUATION OBJECTIVES

To examine:

- ✓ The ability of borrowers to repay their federal student loans;
- ✓ The factors contributing to repayment challenges; and
- ✓ The impact of support measures implemented during the pandemic.

## KEY FINDINGS



Overall, borrowers' ability to repay their loan has improved overtime.

The Repayment Assistance Plan has helped borrowers to meet their loan obligations and manage their debt.



**52%** of borrowers surveyed who started repaying their student loans in recent years, i.e. during or just before the pandemic, expressed difficulty making their payments, with some demographic subgroups facing more difficulties than others



The Government of Canada's support introduced during the pandemic positively impacted repayment capacity and, have been perceived as helpful by borrowers.

**53%** of borrowers reported they would have been unlikely to have made payments on their loans if the repayment moratorium was not in place.

## RECOMMENDATIONS

### Improve

1. Take additional steps to improve awareness of student financial assistance measures, including repayment assistance supports.

### Monitor

2. Monitor recent changes to student loan repayment under the Canada Student Financial Assistance Program, such as enhancements to the Repayment Assistance Plan and the elimination of interest accrual on loans and assess their impact on student loan borrowers and repayment over time, particularly with respect to loans in delinquency or default.