



Category:	Student Financial Aid
Topic:	Income Contingent Loan Repayment
Approved:	August 26, 2005
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Whereas:

The Alliance of Nova Scotia Student Associations (ANSSA) supports a financial aid system that best allows students to pursue a path of study for reasons of interest, not financial pressures, and whereby upon graduation they are not burdened by an unfair amount of debt and repayment obligations.

The current model of student assistance offered through the Nova Scotia Student Assistance Program does not meet that criteria, in that it binds students into a repayment plan shortly upon graduation, whether or not the person has the resources to begin repayment at that point.

A change from our current model of assistance to a model of Income-Contingent Repayment – a form of student assistance that has been employed in the United Kingdom, Australia, New Zealand, and the United States - has the potential to benefit all students, particularly those who struggle to find employment soon after graduation, and those who choose to pursue careers in fields that don't yield high financial returns.

ANSSA supports a financial aid system of Income-Contingent Loan Repayment that meets the following criteria:

2. It maintains an assessment similar to that currently employed by the government of Nova Scotia.
3. It is accompanied by the introduction of strict guidelines relating to the overall cost, and annual increases of tuition.
4. The interest on the loan increases at the rate of the Consumer Price Index (CPI), and does not begin to accrue until the period of study is completed.
5. The length of repayment does not exceed 20 years.
6. A graduated repayment scheme is employed so that those who are unable, or have the greatest difficulty in repaying their loan, are not unfairly burdened.
7. That it is used as a means of student assistance, not to fund the overall cost of education.

Therefore, ANSSA:

1. *Supports* the introduction of an Income-Contingent Loan Repayment program that meets the criteria outlined above; and
2. *Supports* the Province of Nova Scotia working with the federal government of Canada in

order to create and implement the aforementioned program.