

Paying for School **STUDENT LOANS 101**

BROUGHT TO YOU BY



- IT'S A -
**MONEY
THING®**



**GOVERNMENT-
ISSUED**

VERSUS

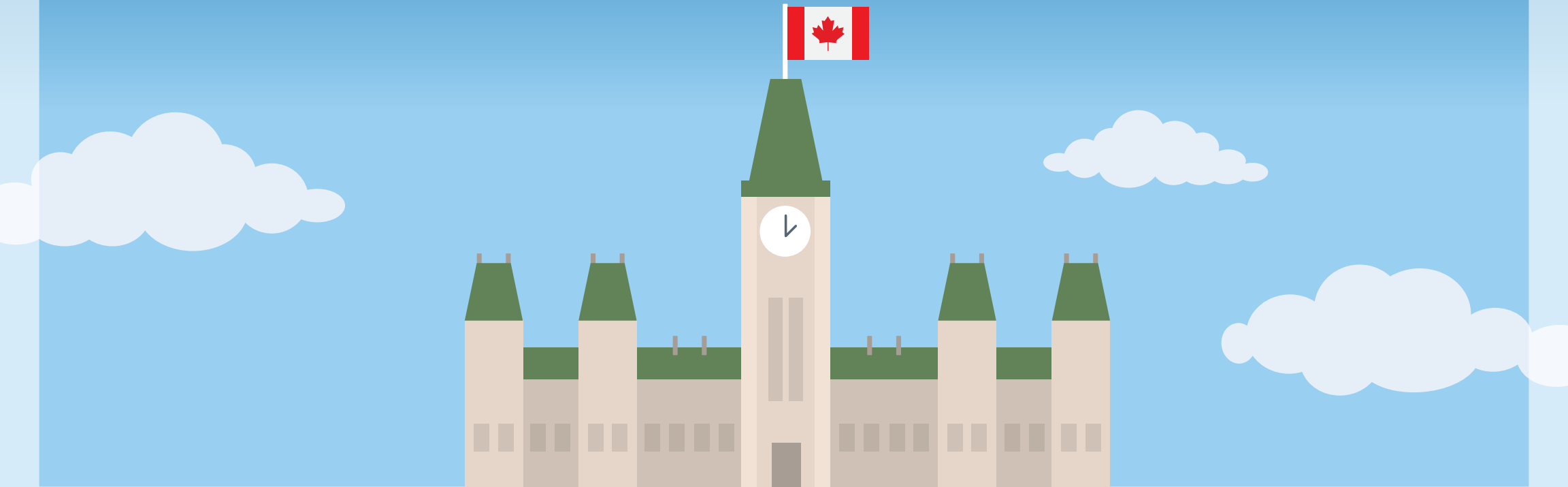
PRIVATE

STUDENT LOANS

Many students jump into student loan debt without a real understanding of what lies ahead

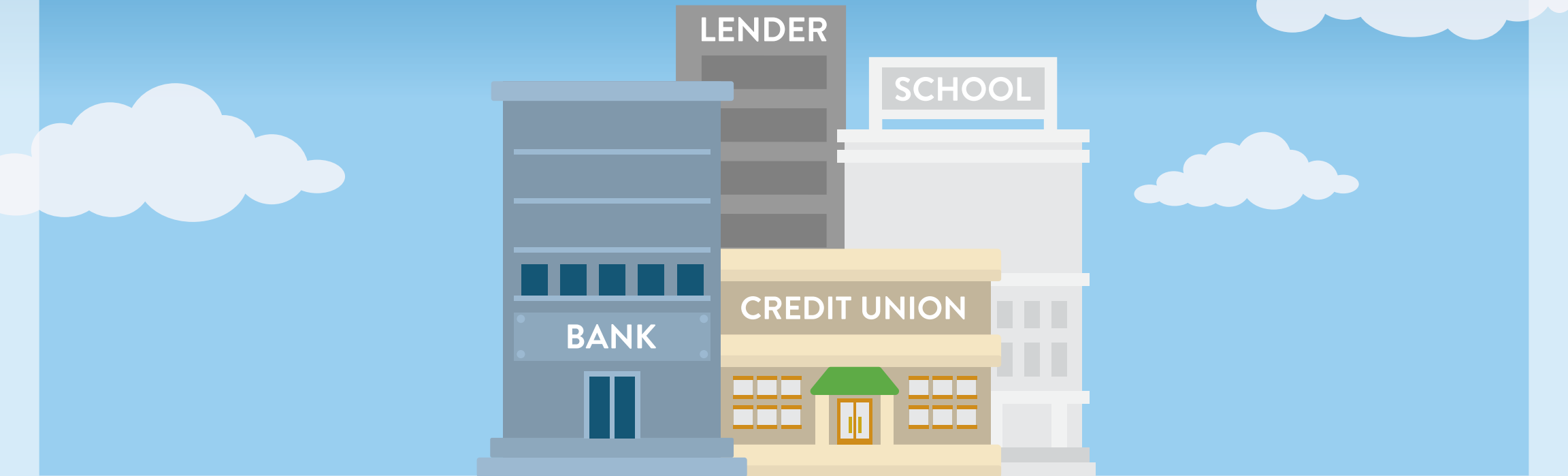
GOVERNMENT-ISSUED STUDENT LOANS

Depending on where you live, government-issued student loans are offered through federal programs, provincial programs or a combination of both



PRIVATE STUDENT LOANS

These loans can come from banks, credit unions, schools or other private institutions





A LOOK AT THE
DIFFERENCES

GOVERNMENT- ISSUED



PRIVATE

How is interest charged?

Government-issued loans have a fixed rate that's set by the government and is often lower than private loan rates. Fixed rates also tend to be easier to budget for because they stay the same over time.



The interest rate for private student loans varies from lender to lender. They're often variable-rate loans, which makes them unpredictable and potentially more expensive over time.

**GOVERNMENT-
ISSUED**



PRIVATE

Are the loans subsidized?

Certain loans that you can apply for are government-subsidized. This means that the government pays the interest on your loan while you're in school.

Private student loans and lines of credit are not subsidized, so interest starts accumulating from day one and you're responsible for paying it—even while you're a student.

GOVERNMENT- ISSUED



PRIVATE

What are the eligibility requirements?

There is a range of federal and provincial student loans available, and they all have their own eligibility requirements. Some of the criteria are very basic, like being a full-time student and maintaining good grades. Other loans are only available based on financial need, which your application helps determine.



Although private lenders don't tend to factor in financial need, they may have other requirements similar to those associated with regular personal loans. You may need to have a good credit score, for instance, or have a parent co-signer.

GOVERNMENT- ISSUED



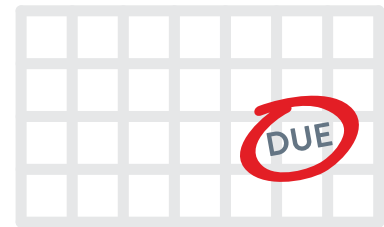
PRIVATE

What are the repayment options?

Government-issued student loans generally provide more flexible repayment options and more resources for repayment assistance than private student loans. Certain provinces participate in the Integrated Student Loans Program, which means that, should you have a mix of both federal and provincial loans, they are automatically consolidated after graduation.

Private lenders tend to be more rigid when it comes to repayment, and private student loans can be trickier to consolidate.

NOVEMBER



**GOVERNMENT-
ISSUED**



PRIVATE

Other factors

In addition, be sure to compare other factors including loan fees, tax deductions, spending restrictions, prepayment penalties and borrowing limits

No matter how you choose to finance your education, fully understand what you are signing and borrow only what you absolutely need

STUDENT LOAN



BROUGHT TO YOU BY



LUMINUS
FINANCIAL

Sources: Government of Canada, Investopedia, Vice.com

It's a Money Thing is a registered trademark of Currency Marketing

- IT'S A -
MONEY
THING®