



Student Loan Corporation of Newfoundland And Labrador Business Plan

April 1, 2017 - March 31, 2020

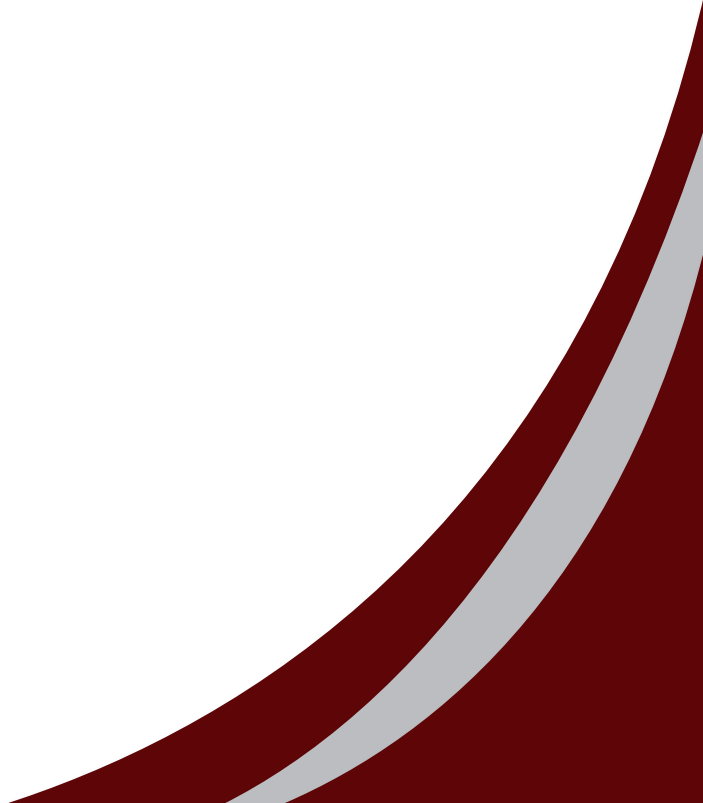


Advanced Education, Skills and Labour

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Message from the Chair

Honourable Gerry Byrne
Minister of Advanced Education, Skills and Labour
West Block, Confederation Building
P.O. Box 8700
St. John's, NL
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Dear Minister:

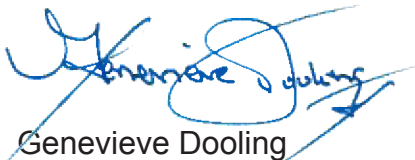
In accordance with the responsibility of the Student Loan Corporation of Newfoundland and Labrador's Board of Directors under the Transparency and Accountability Act, I submit the attached business plan for the Corporation covering the three-year period from April 1, 2017 to March 31, 2020.

The Corporation is a Category 2 entity. This business plan was prepared in consideration of the business issue identified by the Board of Directors. This document sets forth in clear language how the Corporation will address the business issue in accordance with its mandate and the strategic directions of the Provincial Government.

Readers of this plan should note that the Corporation acts as the provincial banker with respect to the disbursement and collection of Newfoundland and Labrador Student Financial Assistance. Eligibility is actually determined by the Department of Advanced Education, Skills and Labour's Division of Student Financial Services. As such, issues related to the determination of eligibility are not included in this document.

My signature below is indicative of the Board's accountability for the preparation of this plan and the achievement of the specific goal and objectives contained herein.

Sincerely,

A handwritten signature in blue ink, appearing to read "Genevieve Dooling", with a stylized flourish at the end.

Genevieve Dooling
Chair

Plan At A Glance

Vision

The vision of the Student Loan Corporation is of a well-managed student loan portfolio and student borrowers with access to the best possible repayment services.

ISSUE: Improved Repayment Services

Goal: By March 31, 2020, the Corporation will have improved its repayment services.

Objectives:

1. By March 31, 2018 the Corporation will have enhanced processes for assessing financial capacity of borrowers and completing appropriate repayment arrangements.
2. By March 31, 2019 the Corporation will have improved processes for the enforcement of repayment arrangements.
3. By March 31, 2020 the Corporation will have improved online services for student borrowers in repayment.

Overview

The Student Loan Corporation of Newfoundland and Labrador (the Corporation) was established on March 30, 2004 pursuant to the Student Financial Assistance Act and is a Category 2 government entity in accordance with the Transparency and Accountability Act. The Corporation is responsible for the financial administration of the Newfoundland and Labrador's Student Financial Assistance Program, which includes disbursement of student financial assistance and receipt of loan repayments. Readers should note that eligibility for student financial assistance is determined by the Department of Advanced Education, Skills and Labour's Student Financial Services Division.

In 2007, the Corporation entered an agreement with the Government of Canada for repayment services for loans issued after January 31, 2007 to be provided by the National Student Loans Service Centre and the Canada Revenue Agency. This resulted in the Corporation managing the provincial student loan accounts in default status prior to February 1, 2007; the Canada Revenue Agency managing the collection of provincial student loan accounts that defaulted after January 31, 2007; and the National Student Loan Service Centre providing repayment services for all provincial student loans that were not in default.

On April 14, 2016, the Provincial Government issued notification to the Government of Canada of its intent to terminate the services provided by the Canada Revenue Agency for the collection of loans defaulting since January 31, 2007. This initiative will result in the transfer of all default Provincial student loans to the Corporation to facilitate improved fiscal management of the default Provincial student loan portfolio. The termination of the agreement and the transfer of defaulted student loan accounts to the Corporation are currently in progress. As of November 1, 2016, all newly defaulted loans are being returned to the Corporation for repayment services instead of being transferred to the Canada Revenue Agency. The process to transfer older defaulted loans from the Canada Revenue Agency is underway and is anticipated to be completed and loans returned to the Corporation during 2017-18.

The National Student Loans Service Centre will continue to provide repayment services for loans that are not in default.

The Corporation is managed by a Board of Directors responsible to the Minister of Advanced Education, Skills and Labour. The Board of Directors includes:

- Deputy Minister of Advanced Education, Skills and Labour, Chair, Ms. Genevieve Dooling;
- Deputy Minister of Finance, Ms. Donna Brewer;
- Comptroller General, Ms. Ann Marie Miller;
- Assistant Deputy Minister of Advanced Education, Skills and Labour, Post-Secondary Education, vacant; and
- Assistant Deputy Minister of Advanced Education, Skills and Labour, Corporate Services and Policy, Ms. Deborah Dunphy.

On April 1, 2017, the Corporation employed 13 individuals as per the table below. These staff members are included as employees by the Department of Advanced Education, Skills and Labour under the Post-Secondary Education Branch.

Staff	Female	Male	Total
Management	0	2	2
Collections	5	1	6
Financial	3	2	5
Total	8	5	13

The Corporation's offices are located on the fourth floor of the West Block of Confederation Building in St. John's.

Each year the Provincial Government, subject to the annual Budget process, provides the Corporation with an operating grant. The grant for 2017-18 is \$5,683,000.

Mandate

The Corporation was established in 2004 to provide and facilitate repayment of loans, manage the debt and investment portfolio, and provide financial administration for the Newfoundland and Labrador Student Financial Assistance Program as set out in section 14 of the Student Financial Assistance Act, including the disbursement of student financial assistance and receipt of loan repayments.

Lines of Business

The Corporation provides financial administration for the Newfoundland and Labrador Student Financial Assistance Program. Its lines of business include:

1. **Portfolio Management:** The Corporation acts as the Province's "banker" in providing student financial assistance, and in the administration and oversight of financial activities for the program. In completing these activities, the Corporation oversees the work of its service provider which operates the National Student Loan Service Centre in the day-to-day operations of loan administration. In addition, the Corporation has partnered with the Government of Canada through the Canada-Newfoundland and Labrador Agreement for the Administrative Integration of the Canada Student Loans Program and the Newfoundland and Labrador Student Financial Assistance Program (the Integration Agreement) in the financial administration of this direct lending program.
2. **Investment Services:** The Corporation manages the short-term investments of the Corporation's annual cash flows to maximize re-investment of funding into student financial assistance.
3. **Repayment Services:** Repayment services for non-default loans are provided by the National Student Loan Service Centre. A loan becomes default and is transferred to the Corporation for further repayment activities after it has been 270 days in arrears at the National Student Loan Service Centre. The Corporation provides repayment services for defaulted loans issued by the Corporation since April 1, 2004 and defaulted provincial loans owned by the Provincial Government and issued prior to April 1, 2004.

Prior to 2017-18, repayment services for student loans that defaulted after January 31, 2007 were provided by the Canada Revenue Agency. Notice to terminate this arrangement was issued by the Provincial Government in April 2016. The Canada Revenue Agency will continue to provide repayment services for a small number of default loans until the transfer of accounts from the Canada Revenue Agency to the Corporation is completed during 2017-18.

Values

The Board of Directors and staff of the Corporation perform their duties within the following set of core values:

Respect:	Each person recognizes the personal circumstances and dignity of others during the performance of work duties.
Quality:	Each person strives to perform all tasks to the utmost of their ability in accordance with established policies and processes.
Professionalism:	Each person performs their duties without judgment or personal opinion in a conscientious and organized manner.
Honesty:	Each person acts in a truthful and ethical manner recognizing their role in the safeguarding of public assets.
Fairness:	Each person is consistent, impartial, and unbiased in the performance of their work activities.

Primary Clients

The Corporation's primary clients are:

- Student borrowers requiring financial assistance to pursue post-secondary education and requiring services to assist with the repayment of their student loans; and
- The Government of Newfoundland and Labrador, which established and mandated the Corporation to provide financial administration of the Newfoundland and Labrador Student Financial Assistance Program, including disbursement of student financial assistance and the receipt of student loan repayments.

VISION

The Corporation's vision is for a well-managed portfolio and student borrowers with access to the best possible repayment services.

BUSINESS ISSUE

The Board of Directors will work to achieve its goal and objectives through enhancing its repayment services. The issue identified has been established by the Corporation's Board of Directors as a key priority for the 2017-20 planning period.

The availability of reliable streams of cash is critical for continuing current levels of student financial assistance. The Corporation, through the receipt of student loan repayments, has a source of funds that can be directly re-invested into the Newfoundland and Labrador Student Financial Assistance Program. Maximizing the repayment of funds owed from provincial student loans will allow the continued investment of existing provincial funds and reduce the Provincial Government's borrowing requirements for funding student financial assistance, thereby increasing financial flexibility. Providing appropriate repayment services to student borrowers will further enhance the repayment process and contribute to the maximization of loan repayments.

The goal identified for the issue reflects the results expected over three years, while the objectives provide an annual focus. Indicators are provided for the goal and objectives to assist both the Corporation and public in monitoring and evaluating success.

ISSUE: Improved Repayment Services

The Corporation believes that with improved repayment services, loan repayments will be maximized, provincial student loan accounts will be resolved effectively, unresolved accounts will be minimized, the process for collecting monies owed from student borrowers will be effectively and efficiently managed, and the Newfoundland and Labrador Student Financial Assistance Program will benefit from continued reinvestment of existing resources. Furthermore, the disbursement of student financial assistance should continue to be as efficient and client-friendly as possible.

Goal: **By March 31, 2020, the Corporation will have improved its repayment services.**

Indicators:

1. Enhanced processes for assessing financial capacity of borrowers and completing appropriate repayment arrangements.
2. Improved processes for the enforcement of repayment arrangements.
3. Improved online access to services for student borrowers in repayment.

Objective 1: By March 31, 2018 the Corporation will have enhanced processes for assessing financial capacity of borrowers and completing appropriate repayment arrangements.

Indicators:

1. Developed financial assessment templates.
2. Drafted and implemented a policy for identifying student borrowers eligible for repayment assistance.
3. Updated the collections manual for revised policies and procedures.

Objective 2: By March 31, 2019 the Corporation will have improved processes for the enforcement of repayment arrangements.

Objective 3: By March 31, 2020 the Corporation will have improved online services for student borrowers in repayment.

CONCLUSION

Improving repayment services will facilitate the resolution of outstanding student loan accounts, thereby assisting student borrowers in addressing their outstanding student debt and contributing to their participation in the economic development of the Province. Improved repayment services will further contribute to effective financial administration and continued investment in student financial assistance. Improving the student financial assistance system supports the commitment in The Way Forward to deliver better services for Newfoundlanders and Labradorians.

The assets of the Corporation are wholly owned by the Government of Newfoundland and Labrador. Hence, sound fiscal management contributes to the financial health of the student loan portfolio, to the ultimate benefit of the overall provincial fiscal situation.

Outputs associated with this Business Plan will be reported each year in the Corporation's Annual Report. Copies of this document and past Annual Reports may be accessed through the Department of Advanced Education, Skills and Labour website at: <http://www.aesl.gov.nl.ca/default.htm>.

