

AN OVERVIEW: FAILED CREDIT CHECK APPEAL

All new OSAP applicants will be subject to a check of their credit history to ensure that funding is not issued to individuals with a history of serious credit abuse.

A new OSAP applicant is a one who in the past school year either:

- did not receive OSAP funding, or
- failed the credit check on the Ontario portion of the Canada-Ontario Integrated Student Loan.

Ontario Credit History Test

New applicants will not be issued Ontario funding if they have been delinquent for more than 90 days on three or more credit accounts/loans, with a **combined value** of \$1000 or more, within the past three years.

Federal Credit History Test

An applicant who fails the credit check may be eligible for Canada Student Loan (CSL) if she/he:

- is under 22 years of age,
- has been eligible to receive Canada Student Loan in the past, or
- has **not** been delinquent for more than 90 days on three or more credit accounts/loans, **each with a value** of \$1000 or more, within the past three years.

CSL eligibility according to the above criteria will be considered by the Ministry when an application is made to the OSAP Appeal Board for a Credit Check Appeal.

Appeal

It is recognized that a poor credit history may be due to extenuating circumstances, including significant and unexpected loss of income or unusual increases in expenses beyond the control of the applicant or spouse. Applicants must demonstrate to the OSAP Appeal Board that their credit history problems were directly related to a change in personal circumstances of the applicant or his/her partner caused by either a reduction in income or unexpected increases in expenses. Students must also demonstrate a strong likelihood of being able to repay their student loans.

Submission Deadline

The deadline for submitting credit check appeals is 15 days after the OSAP application deadline.

SITUATIONS WHICH CAN BE REVIEWED

The following are specific examples of reductions in earning or unexpected increases in expenses which may be considered by the OSAP Appeal Board. This is not an inclusive list and situations can be submitted to the OSAP Appeal Board providing they meet two basic criteria:

- The credit history problems occurred as a result of circumstances beyond the control of the applicant and/or spouse; and
- There is strong likelihood that the applicant will complete his/her program of study and be able to repay his/her students loans.

A loss or a substantial reduction in income may be due to:

- layoff, dismissal, or reduction of work;
- illness;
- inability to work full or part-time due to a disability;
- changes in family or marital situation, such as divorce, death of a spouse or birth of a child;
- failure of an ex-spouse to provide family support payments.

Unexpected or Exceptional Expenses may be:

- essential home repairs;
- legal fees;
- uninsured medical, dental or optical expenses;
- child care or attendant care for children with disabilities;
- costs to care for elderly/infirm relatives.

The credit history problems must have occurred **after** the loss/reduction in earnings or unexpected/exceptional expenses (e.g. an applicant had been delinquent for more than 90 days on three or more credit accounts/loans, each with a value of \$1 000 or more, within the past three years during the period he/she was unemployed).

A Loss or Substantial Reduction in Employment Income, Layoff, Dismissal, or Reduction of Normal Income

If the applicant and/or spouse experienced a reduction or interruption in regular employment earnings because of a layoff, dismissal, reduction to part-time or lower-paying work that affected the applicant's credit history, the applicant should:

- In the case of a layoff or dismissal, submit a copy of the notice of layoff or dismissal or a copy of the Record of Employment. The reason for any dismissal should not be included in the review documentation.
- In the case of a reduction to part-time or lower paying work, submit a letter from the applicant/spouse's employer indicating the reduction in the amount of time worked or salary earned, and why this reduction happened.
- In each case, a letter from the applicant or spouse indicating the reasons the student or spouse was unable to find new or additional employment. They must show evidence that they made a reasonable effort to find full-time work. This includes:
 - A letter from the student or spouse indicating the reason they were unable to find employment for the study period;
 - Proof of the student's or spouse's participation in a community job search program (e.g., Job Connect or other community employment programs).
 - A detailed job search history covering the duration of the study period to date. The details must include contact information for each respective employer (full address, telephone number, name of contact person, position applied for and date of application). In addition, the job search history should be for a time period that covers the last few months prior to the submission of the review as well as a sufficient portion of the study period to reflect the "on-going" nature of the spouse's efforts to obtain employment. **This information will be verified.**
- A letter from the applicant indicating how the successful completion of his/her academic program will lead to gainful employment which will enable him/her to repay his/her student loan. The applicant should also include with this letter a history of his/her recent postsecondary history, if any (e.g., years attended, programs enrolled in, programs completed.)

Illness

Where a period of temporary illness prevents the applicant or spouse from working for a substantial period of time, and thus affects the applicant's credit history, the applicant should submit the following:

- a letter from the applicant/spouse indicating the reason that the applicant/spouse was unable to work during the period of time when the credit problems occurred;
- a certificate from physician outlining the nature of the illness, the care required and the period of time during which the applicant or spouse was unable to work;
- a letter from the applicant indicating how the successful completion of his/her academic program will lead to gainful employment which will enable him/her to repay his/her student loan. The applicant should also include in this letter a history of his/her recent postsecondary history, if any (e.g., years attended, programs enrolled in, programs completed).

Inability to Work Full or Part-Time Due to A Disability

If the applicant or spouse has become disabled recently, or has an ongoing disability which had caused a substantial reduction in normal income that caused credit problems, the applicant should submit:

- a medical certificate to substantiate both the disability and the person's inability to work full or part-time because of the disability;
- a letter from the applicant indicating how the successful completion of his/her academic program will lead to gainful employment which will enable him/her to repay his/her student loan. The applicant should also include with this letter a history of his/her recent postsecondary history, if any (e.g., years attended, programs enrolled in, programs completed).

Changes in Family/Marital Situation

In cases where a change in family situation, such as divorce/separation, death of a spouse, or birth of a child affected the normal income of the applicant or spouse and caused the credit report problems, the applicant should submit:

- a copy of the divorce/separation papers indicating that the applicant has a legal responsibility to make payment to the child or ex-spouse, and the date this became effective;
- a copy of the death or birth certificate;
- a letter from the applicant indicating how the successful completion of his/her academic program will lead to gainful employment which will enable him/her to repay his/her student loan. The applicant should also include with this letter a history of his/her recent postsecondary history, if any (e.g., years attended, programs enrolled in, programs completed).

Failure of ex-partner to maintain family support payments.

Where the credit problems were caused as a result of an ex-partner failing to meet his/her court-ordered family support payment obligations the applicant should submit:

- a letter from his/her lawyer indicating the amount and time period for which payments from the ex-partner were not made;
- a letter from the applicant indicating how the successful completion of his/her academic program will lead to gainful employment which will enable him/her to repay his/her student loan. The applicant should also include in this letter a history of his/her recent postsecondary history, if any. (e.g., years attended, programs enrolled in, programs completed).

Unexpected or Exceptional Expenses

Essential Home Repairs

Where credit problems are caused by home repairs not covered by insurance which were necessary for health and safety reasons, the applicant should submit:

- receipts which itemize costs paid and a statement from the applicant describing the type and necessity of the repair (such expenses are normally of a one-time only nature and do not include day-to-day maintenance of a home and cannot be for cosmetic reasons);
- a letter from the applicant indicating how the successful completion of his/her academic program will lead to gainful employment which will enable him/her to repay his/her student loan. The applicant should also include in this letter a history of his/her recent postsecondary history, if any (e.g., years attended, programs enrolled in, programs completed).

Legal Fees

Legal fees incurred and paid by the applicant or spouse that are related to the period of credit problems may be included in an appeal. Fees related to the purchase of a home and those related to the operation of a business will not be considered. The applicant should submit:

- an itemized statement from his/her lawyer showing amounts and dates of payments and the reasons for the costs;
- a letter from the applicant indicating how the successful completion of his/her academic program will lead to gainful employment which will enable him/her to repay his/her student loan. The applicant should also include in this letter a history of his/her recent postsecondary history, if any (e.g., years attended, programs enrolled in & completed).

Uninsured Medical, Dental or Optical Expenses

When amounts paid by the applicant and/or spouse for required and uninsured medical, dental and optical expenses caused credit difficulties, the applicant should submit:

- a copy of receipts from the dentist, doctor, hospital or pharmacist; these costs must not have been paid by another person or by a private insurance plan;
- a letter from the applicant indicating how the successful completion of his/her academic program will lead to gainful employment which will enable him/her to repay his/her student loan.

The applicant should also include in this letter a history of his/her recent postsecondary history, if any (e.g., years attended, programs enrolled in, programs completed).

Caring for Children with Disabilities

If the dependent child of a married or sole-support parent applicant becomes disabled and this causes significant child care/attendant care expenses to be incurred, the applicant should submit:

- copies of all child/attendant care receipts for the time period relating to the credit history problems;
- a letter indicating the nature of the disabled child's condition;
- a letter from the applicant indicating how the successful completion of his/her academic program will lead to gainful employment which will enable him/her to repay his/her student loan.

The applicant should also include in this letter a history of his/her recent postsecondary history, if any (e.g., years attended, programs enrolled in, programs completed).

Caring for Elderly/Infirm Relatives

If, as a result of incurring expenses to care for an elderly infirm/relative, the applicant's credit history is impaired, he/she can submit:

- copies of all receipts for costs incurred to care for the elderly/infirm relative for the time period relating to the credit history problems;
- a letter outlining the details of the situation (i.e., nature and duration of care required);
- a letter from the applicant indicating how the successful completion of his/her academic program will lead to gainful employment which will enable him/her to repay his/her student loan.

The applicant should also include in this letter a history of his/her recent postsecondary history of his/her recent postsecondary history, if any (e.g. years attended, programs enrolled in, programs completed).

CREDIT CHECKING AND REVIEW PROCESS

1. The Ministry of Advanced Education & Skills Development (MAESD) will check the credit record of the applicant electronically with the credit reporting agency (Equifax).
2. Only new applicants will be credit-checked, and all credit checks will be done at the time the student applies for OSAP. The credit reporting agency will provide MAESD with the names of any applicants who fail the credit check.
3. Applicants failing the credit check test the first year will be credit checked every year.
4. Any applicant who is deemed ineligible for funding because of credit history will be sent a letter and will be notified that the decision can be reviewed on request by the OSAP Appeal Board.
5. If a student has a successful credit check appeal in the previous year, but fails the credit history check for the current year and wishes to appeal, they can submit their appeal to the OSAP Appeal Board through the Financial Aid Office.

Processing Credit Check Reviews

1. Credit check appeals and all supporting documentation must be submitted to the Financial Aid Office at the institution that the student plans to attend.
2. Credit Check Reviews are examined and prepared by the Financial Aid Office.
3. The letter of appeal, all supporting documentation submitted and all relevant information from the OSAP database are presented to the OSAP Appeal Board.
4. The OSAP Appeal Board will request the applicant's credit file from the credit reporting agency.
5. Students can expect a written decision from the Appeal Board four to six weeks after it receives a **complete appeal**. If an applicant is successful in his/her appeal, MTCU will issue the Canada Student Loan and/or Ontario Student Loan document to the student's institution.
6. The deadline for submitting credit check appeals is 15 days after the OSAP application deadline.

Should you have any questions or concerns about this process, contact the Financial Aid Office at the institution that you plan to attend. Inquiries for students attending the St. Clair College should be directed to:

Financial Aid Office
Room 166
2000 Talbot St. W.
Windsor, ON N9A 6S4
519-972-2718

Appeal Submission Cover Sheet – Credit Appeal

Please forward to:

Financial Aid Office
2000 Talbot Rd. W.
Windsor, ON
N9A 6S4

Office Use:

Date Received:

Date Reviewed:

Approved **Not Approved**

LAST NAME:	
FIRST NAME:	
STUDENT ID #:	
DATE OF BIRTH:	
APPEAL SUBMISSION CHECKLIST:	<p>*A letter from you outlining: 1. Your financial difficulties were due to circumstances beyond your control, 2. You are now financially stable, & 3. You will be able to repay any OSAP loans that may be issued to you</p> <p>* Completed Credit Check Review Form</p> <p>* Completed budget</p> <p>* ALL supporting documentation to support your request for an Appeal.</p> <p>* Be sure that your letter(s) are SIGNED, DATED and that your name and student ID# appears on all of your supporting documentation.</p>

Financial Aid Office Notes:

St.Clair College is committed to the protection of privacy and confidentiality of all its constituents. The information is collected for the purposes of administering the Ontario Student Assistance Program (OSAP) on behalf of the Ministry of Advanced Education & Skills Development (the "Ministry") and any other need-based financial assistance as administered by St.Clair College. If you have any questions about the collection of information or the uses to which it will be put, please direct your questions to the Registrar, Financial Aid Office. The Ministry administers OSAP under the authority of the Ministry of Advanced Education & Skills Development Act, R.S.O. 1990, c. M.19, as amended, R.R.O. 1990, Reg. 773, Reg. 774, and Reg. 775, as amended, and O. Reg. 268/01, as amended; the Financial Administration Act, R.S.O. 1990, c. F. 12, as amended; the Canada Student Financial Assistance Act, S.C. 1994, c. 28, as amended; the Canada Student Financial Assistance Regulations, SOR 95-329, as amended; and the Budget Implementation Act, 1998, S.C. 1998, c. 21, as amended. If you have any questions about the collection or use of this information, contact the Director, Student Support Branch, Ministry of Advanced Education & Skills Development, PO Box 4500, 189 Red River Road, 4th Floor, Thunder Bay, ON P7B 6G9.

Need Help With Your Credit Check Appeal Submission?

This information has been prepared to assist you with your Credit Check Appeal submission to the OSAP Appeal Board. The Financial Aid Office at St. Clair College does not adjudicate these appeals. Our office will review your appeal only as an attempt to ensure that it meets the minimum requirements set forth by the Ministry of Advanced Education & Skills Development (MAESD). Our office will then forward your appeal to the OSAP Appeal Board on your behalf. Please allow a minimum of 4 weeks for our office to review your submission before it is submitted to the OSAP Appeal Board. Once your appeal is submitted to the OSAP Appeal Board, a decision should be forthcoming (directly to you by mail from the OSAP Appeal Board) within 6 – 8 weeks.

MTCU encourages/strongly advises students to submit complete appeals with adequate supporting documentation. Incomplete appeals will not be accepted. If your appeal is not accepted, there are no further chances for the current academic year. Students will have to wait for the next academic year to try again.

Important Information to Understand:

How does a student explain their exceptional or extenuating circumstances that caused them to have issues with their credit history?

- It is important to remember that the OSAP Appeal Board members do not know you;
- There is no advocate other than the documentation that you provide;
- Consider the process to be a panel of strangers who you have to convince;
- This is your second chance and you must show that you are worth the risk;
- Anything that you state within the context of your letter MUST BE documented;
- As you are preparing your letter, you should be thinking ‘Why would anyone believe me and how can I prove this?’;
- Your letter must be typewritten, clearly articulated, in chronological order, with dates and references made to supporting documentation that you are providing to support your appeal and your letter MUST BE signed and dated;
- Often times it's helpful to obtain a copy of your credit report so that you know what the OSAP Appeal Board members will be looking at when comparing your appeal submission to your credit report;
- If you are a returning student, it is helpful if you could provide a copy of your academic transcript(s) to document your previous academic history as a means to confirm your academic abilities.

How does a student prove that they can repay?

- Budgets;
- Employment prospects;
- Job market research;
- References from employers, professors, counsellors;
- Credit counselling, debt management plan – what have you learned from your mistakes?
- Document current employment and potential for advancement:
- Be creative: document paid off creditors, sale of a vehicle, moved to a cheaper place >This would demonstrate your commitment to your new phase of life.