

## Draft Regulations

### Draft Regulation

An Act respecting financial assistance for students (R.S.Q., c. A-13.3)

### Financial assistance for students — Amendments

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Regulation to amend the Regulation respecting financial assistance for students, the text of which appears below, may be made by the Government upon the expiry of 30 days following this publication.

Under section 12 of the Regulations Act, a proposed regulation may be made at the expiry of a period shorter than the 45-day period provided for in section 11 of that Act by reason of the urgency due to the following circumstances:

— the amendments made to the Regulation respecting financial assistance for students must apply for the 1998-1999 year of allocation, that is, from 1 May 1998;

— applications for financial assistance, for that year of allocation, cannot be processed as long as those amendments are not in force.

The main purpose of the draft Regulation is to change the amounts of income considered in computing the financial assistance to be granted to a student, as well as the amounts of allowable expenses.

Several amendments are made consequently to the recent amendments made to the Act respecting financial assistance for students. Thus, the draft Regulation determines the end of the period during which a student is exempt from paying interest on his loans and the end of the period during which a student is not bound to repay his loan.

To date, study of the matter has revealed no impact on businesses.

Further information may be obtained by contacting Mr. Pierre-Paul Allaire, Director, Direction de l'aide financière aux études, Ministère de l'Éducation, 1035, rue De La Chevrotière, 20<sup>e</sup> étage, Québec, G1R 5A5; tel. (418) 646-5313.

Any interested person having comments to make is asked to send them in writing, before the expiry of the 30 day-period, to the Minister of Education, 1035, rue De La Chevrotière, 16<sup>e</sup> étage, Québec, G1R 5A5.

PAULINE MAROIS,  
*Minister of Education*

### Regulation to amend the Regulation respecting financial assistance for students(\*)

An Act respecting financial assistance for education expenses (R.S.Q., c. A-13.3, s. 57; 1997, c. 90, s. 12)

**1.** The following is substituted for the title of the Regulation respecting financial assistance for students:

“Regulation respecting financial assistance for education expenses”.

**2.** The following is substituted for paragraph 2 of section 1:

“(2) the amount by which his scholarship income referred to in section 7 that is foreseeable for the calendar year ending in the current year of allocation exceeds \$5 000;”.

**3.** The following is substituted for subparagraph 3 of the first paragraph of section 3:

“(3) he receives unemployment benefits, employment benefits or any other benefits of the same nature paid by a government department or body and is participating in a program of training offered and paid by such a department or body;”.

**4.** Section 4 is amended

(1) by substituting the words “by a government department or body” for the words “in accordance with the

\* The Regulation respecting financial assistance for students, made by Order in Council 844-90 dated 20 June 1990 (1990, G.O. 2, 1685), was last amended by the Regulation made by Order in Council 1200-97 dated 17 September 1997 (1997, G.O. 2, 4979). For previous amendments, refer to the “Tableau des modifications et Index sommaire”, Éditeur officiel du Québec, 1997, updated to 1 September 1997.

Employment Insurance Act (S.C., 1996, c. 23)” in subparagraph 2 of the first paragraph; and

(2) by substituting the following for subparagraph 3 of the first paragraph:

“(3) the amount by which his actual scholarship income referred to in section 7 for the calendar year ending during the current year of allocation exceeds \$5 000;”.

**5.** The words “, excluding a student who serves a period of training as part of a program of studies under a cooperative plan during a trimester of the year of allocation” are inserted in paragraph 1 of section 5, after the words “current year of allocation”.

**6.** Section 9 is amended

(1) by substituting the word “gross” for the word “net” in subparagraph 1 of the first paragraph; and

(2) by substituting the following for subparagraph 2 of the first paragraph:

“(2) by adding the exemptions applicable under sections 10 and 11;”.

**7.** The following is added after paragraph 7 of section 10:

“(8) if the student has a major functional deficiency: \$2 200.”.

**8.** The following paragraph is added at the end of section 11:

“An additional exemption of \$2 200 shall be granted if the student has a major functional deficiency.”.

**9.** The words “Act respecting financial assistance for education expenses” are substituted for the words “Act respecting financial assistance for students” at the end of section 12.

**10.** The following paragraph is added at the end of section 15:

“That contribution shall be divided by the number obtained by counting the student and each of the children of the student and of his spouse who are pursuing full-time vocational training at the secondary level or full-time post-secondary studies and are deemed to receive a contribution from their parents as provided for in section 4 of the Act respecting financial assistance for education expenses.”.

**11.** The following is substituted for subparagraph *b* of paragraph 1 of section 19:

“(b) the amount by which his foreseeable scholarship income determined according to section 7, *mutatis mutandis*, exceeds \$5 000;”.

**12.** Section 21 is amended

(1) by substituting the following for clause *b* of subparagraph 1 of the first paragraph:

“(b) the amount by which his actual scholarship income determined according to section 7, *mutatis mutandis*, exceeds \$5 000;”;

(2) by adding the words “and, if the student has a major functional deficiency, an additional exemption of \$2 200” at the end of subparagraph 2 of the first paragraph.

**13.** The following paragraph is added at the end of section 22:

“That contribution shall be divided by the number obtained by counting the student and each of the children of the student and of his spouse who are pursuing full-time vocational training at the secondary level or full-time post-secondary studies and are deemed to receive a contribution from their parents as provided for in section 4 of the Act respecting financial assistance for education expenses.”.

**14.** The following is substituted for subparagraph 3 of the second paragraph of section 24:

“(3) he receives unemployment benefits, employment benefits or any other benefits of the same nature paid by a government department or body and is participating in a program of training offered and paid by such a department or body;”.

**15.** The words “pursuing studies in Québec” are struck out in the second paragraph of section 25.

**16.** Subdivision 6 of Division IV of Chapter I is revoked.

**17.** The following section is inserted after the heading of Division VI of Chapter I:

“**46.1** The amount of the first portion of a loan used for the calculation provided for in section 14 of the Act shall be:

- (1) at the secondary level  
in vocational training: \$1 000;
- (2) at the college level: \$1 000;
- (3) at the university level: \$2 400.”.

**18.** The following is substituted for the third paragraph of section 47:

“The maximum amount of an authorized loan shall be increased by the compulsory tuition and registration fees allowed to the student under section 25, in the following cases:

- (1) where the student attends a private institution at the secondary level in vocational training or at the college level for a program subsidized under the Act governing that institution;
- (2) where the student attends an institution at the secondary level in vocational training or at the college level for a program not subsidized under the Act governing that institution;
- (3) where the student attends the Institut de police de Québec; or
- (4) where the student attends an educational institution located outside Québec.

For the purposes of subparagraph 2 of the third paragraph, the amount prescribed in subparagraph 1 of the first paragraph shall be increased to \$3 605.”.

**19.** The following is substituted for section 48:

“**48.** The maximum of a loan authorized for a student attending an educational institution designated by the Minister for the granting of loans only shall be \$3 100 per trimester.”.

**20.** Section 49.1 is amended

(1) by substituting the following for subparagraph 6 of the first paragraph:

“(6) where the student is at the master’s level of university, for a program of studies of less than 5 trimesters: \$35 000;

(6.1) where the student is at the master’s level of university, for a program of studies of 5 trimesters or more: \$40 000;”; and

(2) by adding the following sentence at the end of the second paragraph:

“The maximum level of indebtedness is increased to \$60 000 where the student attends an educational institution outside Québec.”.

**21.** The following Division is inserted after section 55:

**“DIVISION X  
REIMBURSEMENT OF PART OF A  
LOAN BY THE MINISTER**

**56.** A borrower who receives financial assistance in the form of a bursary for each year of allocation during which he pursues, at the college level, a program of vocational studies leading to the attestation of college studies and who completes his studies and obtains official certification thereof within the time limit prescribed in Schedule X is entitled, upon application to the Minister, to a 15 % reduction on the value of the authorized loans contracted within that time limit.

**56.1** A borrower who receives financial assistance in the form of a bursary for each year of allocation during which he pursues, at the university level, a program of undergraduate studies leading to a degree and who completes his studies and obtains official certification thereof within the time limit prescribed in Schedule X is entitled, upon application to the Minister, to a reimbursement of 15 % on the value of the authorized loans contracted within that time limit and, where applicable, on the value of the following authorized loans:

(1) loans contracted during his college studies for a program leading to the attestation of college studies if, at that level, he receives financial assistance in the form of a bursary for each year of allocation and completes his studies and obtains official certification thereof within the time limit prescribed in Schedule X;

(2) loans contracted during his graduate studies if, at the master’s or doctoral levels of university, he receives financial assistance in the form of a bursary, completes his studies and obtains official certification thereof within the time limit prescribed in Schedule X.

**56.2** Any amount reimbursed by the Minister pursuant to sections 56 and 56.1 shall be paid to the financial institution holding the debt and be used to repay the loans.”.

**22.** The following is substituted for section 61:

“**61.** During any period of full-time studies and the additional period ending on the date determined in accordance with Schedule IX, the Minister shall pay, to the financial institution holding the debt, interest on any loan granted under the Act, for periods of no longer than

2 months and not later than 45 days after the end of each period.

From the end of that additional period and until the end of the period of exemption determined in accordance with Schedule IX, the interest unpaid by the borrower on any loan granted under the Act shall be capitalized.”.

**23.** The following is substituted for section 62:

“**62.** Unless he has been recognized as a borrower in a precarious financial situation, a borrower shall, at the end of the period of exemption determined in accordance with Schedule IX, sign a repayment agreement with the creditor financial institution holding the debt for all loans granted to him, including any capitalized interest.”.

**24.** The following is substituted for the first two paragraphs of section 63:

“**63.** The repayment agreement shall specify the applicable rate of interest and the amount and number of payments required to repay the principal and interest of any loan granted under the Act.

The rate of interest stipulated in the repayment agreement shall be determined according to the method provided for in section 68.

The rate of interest shall be fixed at the end of the additional period determined in accordance with Schedule IX and thereafter every 5 years from that date.”.

**25.** The following is substituted for section 67:

“**67.** The rate of interest applicable to payment of interest by the Minister to a financial institution on a loan granted under the Act shall be fixed monthly, on the first day of the month preceding the month for which the rate is applicable, as follows: it is equal to the rate of bank acceptances in force on the day when the rate of interest is fixed, plus 80 basis points. The expression “rate of bank acceptances” means the average rate of bank acceptances in Canadian dollars for 1 month as it appears in the Weekly Financial Statistics of the Bank of Canada. If no rate appears on that day, the rate shall be that of the previous day on which such rate appeared.”.

**26.** The words “second month preceding the date on which the interest becomes charged to the borrower” are substituted for the words “month preceding the date on which the exemption period ends” in section 68.

**27.** The amount “\$1 105” is substituted for the amount “980 \$” in section 69.

**28.** The following is substituted for section 71:

“**71.** A borrower may request that the Minister recognize him as a borrower in a precarious financial situation for a maximum period of 6 months ending not later than 60 months following the end of his period of exemption.

Recognition by the Minister that a borrower is in a precarious financial situation suspends execution of the repayment agreement.

During the period prescribed in the first paragraph, the Minister shall pay to the financial situation, on behalf of the borrower, interest on the balance of the loans granted under the Act, plus any capitalized interest, at the rate fixed according to the method provided for in section 67.”.

**29.** The following is substituted for section 73:

“**73.** A borrower may not be recognized as being in a precarious financial situation for more than 24 months throughout his life.”.

**30.** The second sentence in the second paragraph of section 74 is struck out.

**31.** Section 75 is revoked.

**32.** Sections 79 and 80 are revoked.

**33.** The following is inserted after section 81.1:

**“DIVISION V  
RATE OF INTEREST APPLICABLE TO  
FINANCIAL ASSISTANCE RECEIVED  
WITHOUT ENTITLEMENT**

**81.2** The amount of financial assistance in the form of a bursary received without entitlement shall bear interest at the rate determined on the first of May of each year of allocation, according to the method provided for in section 68, plus 3 %.

The amount of financial assistance in the form of a loan or bursary received without entitlement through a false declaration shall bear interest at the rate determined on the first of May of each year of allocation, according to the method provided for in section 68, plus 5 %.”.

**34.** The following is substituted for paragraph 7 of Schedule II:

“(7) unemployment benefits, employment benefits and any other benefits of the same nature paid by a government department or body;”.

**35.** Schedule IV is amended by deleting paragraphs 3 and 4.

**36.** The following is substituted for Schedule V:

**“SCHEDULE V**  
(ss. 12, 15, 20 and 22)

Disposable income		Requested contribution
higher than	not exceeding	
\$0	\$8 000	0 % of disposable income
\$8 000	\$44 000	0 % of the first \$8 000 and 23 % of the remainder
\$44 000	\$54 000	\$8 280 of the first \$44 000 and 33 % of the remainder
\$54 000	\$64 000	\$11 580 of the first \$54 000 and 43 % of the remainder
\$64 000		\$15 880 of the first \$64 000 and 53 % of the remainder

**37.** Schedule VIII is amended

(1) by inserting the words “, for a program of studies lasting less than 5 trimesters” in paragraph 2 of the Table, after the word “level”;

(2) by inserting the following paragraph after paragraph 2 of the Table:

“(2.1) master’s level, for a program of studies lasting 5 trimesters or more: 6 7th 8th;”, and

(3) by inserting “, 2.1,” in the fifth paragraph, after the figure “2” wherever it appears.

**38.** The following Schedules are added to the Regulation:

**“SCHEDULE IX**  
(ss. 61 and 62)

**ADDITIONAL PERIOD AND PERIOD OF EXEMPTION**

	Date on which additional period ends	Date on which period of exemption ends
(1) for a borrower who completes or abandons his full-time studies at the college or university level during or at the end of the preceding winter trimester;	1 June	1 December;

(2) for a borrower who completes or abandons his full-time studies at the secondary level in vocational training during or at the end of the preceding winter trimester;

Date on which additional period ends	Date on which period of exemption ends
1 July	1 January;

(3) for a borrower who completes or abandons his full-time studies at the secondary level in vocational training, college level or university level during or at the end of the preceding summer trimester;

1 September	1 March;
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(4) for a borrower who completes or abandons his full-time studies at the secondary level in vocational training, college level or university level during or at the end of the preceding fall trimester;

1 January	1 July.
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**SCHEDULE X**  
(ss. 56 and 56.1)

**TIME LIMITS FOR COMPLETING STUDIES**

COLLEGE LEVEL	Maximum number of trimesters to complete studies
(1) general program of studies:	4;
(2) general program of studies lasting 6 trimesters:	6;
(3) vocational program of studies:	6;
(4) the naval engineering program at the Institut maritime du Québec, Cégep de Rimouk:	8;
(5) the navigation program at the Institut maritime du Québec, Cégep de Rimouski:	8;
(6) Conservatoire de musique et d’art dramatique de la province de Québec (program of college studies):	6;
(7) National Theater School of Canada:	10;
(8) vocational program of studies under a cooperative plan:	8.

University level	Maximum number of trimesters to complete studies
(1) undergraduate level:	4;
(2) master's level, for a program of studies lasting less than 5 trimesters:	6;
(3) master's level for a program of studies lasting 5 trimesters:	5;
(4) doctoral level:	8;
(5) doctoral level, without having obtained a master's degree:	10;
(6) undergraduate level, in Québec, within a program lasting 8 trimesters:	8;
(7) undergraduate level, outside Québec, within a program lasting 10 trimesters:	10;
(8) undergraduate level in medicine:	10;
(9) undergraduate level, program of studies under a cooperative plan:	10;
(10) undergraduate level, in a chiropractic program:	11;
(11) Conservatoire de musique et d'art dramatique de la province de Québec (graduate program of studies):	6;
(12) master's level, dentistry program with the "orthodontics" or "prostodontic rehabilitation" option):	9;
(13) master's level, program of specialized studies in veterinary medicine, Université de Montréal:	9;
(14) Conservatoire de musique et d'art dramatique de la province de Québec, "programme de fin d'études après obtention d'un diplôme d'études supérieures":	4;

Where a student is bound to write and file a master's or doctoral dissertation, the applicable time limit shall be increased by three months and the dissertation must be approved by the jury before the expiry of that time limit."

**39.** Section 75 of the Regulation respecting financial assistance for education expenses, as it read before its revocation, shall remain applicable to a borrower who was recognized as being in a precarious financial situation before 1 May 1999, for all the amounts that the Minister paid for him, to the financial institution, for a period prior to that date.

**40.** For the 1998-1999 year of allocation, the maximum amount of an authorized loan shall be increased, in the cases referred to in subparagraph 2 of the third paragraph of section 47 of the Regulation respecting financial assistance for education expenses, by an additional amount of \$5 000, where the student attends an institution at the college level, excluding an institution subsidized by the Minister of Culture and Communications or by a body under the responsibility of the latter.

For that same year of allocation, the following amounts shall be allocated to a student for the summer trimester, as child support expenses for a minor child whose custody is not shared:

(1) \$126, where the student has no spouse or where, during the winter trimester of the preceding year of allocation, he received benefits under the "financial support" or "work and employment incentives" programs established under the Act respecting income security (R.S.Q., c. S-3.1.1);

(2) \$46 for each child, excluding the first child, where, during the winter trimester of the preceding year of allocation, the student received benefits under one of the programs mentioned in subparagraph a;

(3) 25 \$, where the student has a spouse and does not receive the amount allocated under subparagraph a.

In addition, for that same year of allocation, notwithstanding section 71 of the Regulation respecting financial assistance for education expenses, a borrower may not be recognized as a borrower in a precarious financial situation unless he files his application within 18 months of the end of his period of exemption.

**41.** This Regulation comes into force on 1 May 1998, except section 2, paragraph 2 of section 4, section 11, paragraph 1 of section 12, section 19, sections 56.1 and 56.2 introduced by section 21, sections 29 and 31, Schedule X introduced by section 38 and section 39, which will come into force on 1 May 1999, and except section 56 introduced by section 21, which will come into force on 1 May 2000.