



NATIONAL ASSEMBLY

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Bill 170
(1997, chapter 90)

**An Act to amend the Act respecting
financial assistance for students**

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Passage in principle 4 December 1997
Passage 19 December 1997
Assented to 19 December 1997**

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EXPLANATORY NOTES

This bill amends the loans and bursaries program established by the Act respecting financial assistance for students.

It provides, in particular, for new rules for computing the amount of a loan and for the borrower's obligation to pay interest on the balance of authorized loans from the time the borrower ceases to be a full-time student.

In addition, the bill provides for the repayment by the Minister of Education, in certain cases and on certain conditions, of the portion of the loan determined by regulation, if the borrower completes a program of studies within the time prescribed and obtains official certification thereof.

Lastly, the bill authorizes the Government to determine, by regulation, among the obligations of a borrower, those that are assumed by the Minister when the borrower is in a precarious financial situation.

Bill 170

AN ACT TO AMEND THE ACT RESPECTING FINANCIAL ASSISTANCE FOR STUDENTS

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS :

1. The title of the Act respecting financial assistance for students (R.S.Q., chapter A-13.3) is replaced by the following title :

“Act respecting financial assistance for education expenses”.

2. Section 4 of the said Act, amended by section 1 of chapter 79 of the statutes of 1996, is again amended by inserting, after subparagraph 10 of the first paragraph, the following subparagraph :

“(10.1) he has been successively, for at least two years, excluding any period during which he was in full-time attendance at an educational institution, in situations described in subparagraphs 9 and 10;”.

3. Section 14 of the said Act, amended by section 4 of chapter 79 of the statutes of 1996, is replaced by the following section :

“14. The amount of the loan shall be computed, for and up to the first portion fixed by regulation, by subtracting the amount determined as the contribution of the student from the amount determined as allowable expenses and, for the second portion, by subtracting from the amount determined as allowable expenses the following amounts :

(1) the amount determined as the contribution of the student and, where applicable, the amount determined as the contribution of the student’s parents, sponsor or spouse ;

(2) the amount of the first portion of the loan fixed by regulation.

The amount obtained under the first paragraph shall not exceed the maximum amount of a loan established pursuant to section 13 or the balance of financial assistance that may be granted to the student in the form of a loan.”

4. Section 23 of the said Act is replaced by the following section :

“23. For the purposes of this subdivision, “period of exemption” means the period beginning on the date on which the borrower obtains a first loan or on which the borrower resumes being a full-time student, and ending on the date determined in accordance with the regulations.”

5. Section 24 of the said Act is amended

(1) by replacing the words “his period of exemption” in the third and fourth lines of the first paragraph by the words “the additional period ending on the date determined by regulation”;

(2) by inserting the words “and provided the person is in a precarious financial situation within the meaning of the regulation” after the word “Minister” in the first line of subparagraph 2 of the second paragraph.

6. The said Act is amended by adding, after section 24, the following section:

“24.1. A private educational institution that receives a cancellation notice in respect of a services contract from a student who has received financial assistance in the form of a loan shall inform the Minister.

The Minister may, in such a case, order the educational institution to remit the amounts referred to in section 74 of the Act respecting private education (chapter E-9.1) to the financial institution so that they may be applied to the repayment of the loan.”

7. The said Act is amended by inserting, after section 25, the following section:

“25.1. The Minister shall reimburse, at the request of the borrower, the portion of the loan determined by regulation, in the cases and on the conditions provided for therein, if the borrower has completed a program of studies within the time prescribed and has obtained official certification thereof.”

8. Section 40 of the said Act is amended

(1) by inserting the words “except in the case provided for in the third paragraph,” after the word “However,” in the first line of the second paragraph;

(2) by adding, after the second paragraph, the following paragraph:

“Where, as a result of the Minister’s decision, the amount of a loan already contracted is reduced and the amount of the bursary is increased, the additional amount of bursary shall be paid to the financial institution so that it may be applied to the repayment of the loan, up to the amount of that reduction.”

9. Section 42 of the said Act is amended

(1) by adding, at the end of the first paragraph, the words “or unless the Minister has informed the person of the Minister’s intention to offset the amount against the amount of a bursary or to require the financial institution to withhold the amount, in the Minister’s favour, upon payment of an authorized loan”;

(2) by adding, at the end of the first paragraph, the following sentence: “Interest shall be payable on the amount at the rate fixed by regulation from the time the amount becomes payable.”

10. The said Act is amended by inserting, after section 42, the following section:

“42.1. A person who, without entitlement, has received financial assistance in the form of a loan or a bursary, as a result of a false declaration, must reimburse to the Minister without delay the amount received without entitlement.

The Minister shall reimburse to the financial institution the amount of financial assistance in the form of a loan that is claimed by the Minister from the borrower.

Interest shall be payable on the amount owed at the rate fixed by regulation, from the time the financial assistance is paid by the Minister or the financial institution.

Sections 30 and 31 apply in respect of an amount owed under this section.”

11. Section 43 of the said Act is amended by adding, at the end of paragraph 2, the words “or unless the Minister has informed the person of the Minister’s intention to offset the amount against the amount of a bursary or to require the financial institution to withhold the amount, in the Minister’s favour, upon payment of an authorized loan”.

12. Section 57 of the said Act, amended by section 11 of chapter 79 of the statutes of 1996, is again amended

(1) by inserting, after subparagraph 9 of the first paragraph, the following subparagraph:

“(9.1) fix the amount of the first portion of a loan for the purposes of a computation under section 14;”;

(2) by inserting, after subparagraph 13 of the first paragraph, the following subparagraph:

“(13.1) determine, in respect of each level of instruction, each cycle and certain programs of studies identified by the Government, for the purposes of section 24, the date on which the additional period ends and, for the purposes of sections 23 and 25, the date on which the period of exemption ends, according to the time when the borrower completes or abandons a program of studies;”;

(3) by inserting the words “require the capitalization of the interest accrued for any period determined by the Government and provide for” after the word “loan,” in the first line of subparagraph 15 of the first paragraph;

(4) by replacing subparagraph 16 of the first paragraph by the following subparagraph :

“(16) define, for the purposes of sections 24 and 25, “precarious financial situation”, determine the borrower’s obligations that are to be assumed by the Minister in such a situation and, for the purposes of section 25, determine the time when repayment of a loan must begin and the terms and conditions applicable to such repayment;”;

(5) by inserting, after subparagraph 16 of the first paragraph, the following subparagraph :

“(16.1) determine, for the purposes of section 25.1, the cases in which the borrower qualifies for a reimbursement, prescribe the time within which the borrower must complete a program of studies and determine the part of the loan to be so reimbursed by the Minister and the terms and conditions applicable to such reimbursement;”;

(6) by adding, after subparagraph 24 of the first paragraph, the following subparagraph :

“(25) fix the rate of interest applicable to the amounts owed to the Minister under sections 42 and 42.1.”

13. The provisions introduced by sections 2 and 3 of this Act are applicable in respect of the years of allocation subsequent to their coming into force.

The other provisions introduced by this Act and the first regulations made thereunder are applicable to the juridical situations in progress at the time of their coming into force.

14. In any Act or statutory instrument, any reference to the Act respecting financial assistance for students is a reference to the Act respecting financial assistance for education expenses, unless the context indicates otherwise.

15. The provisions of this Act come into force on the date or dates to be fixed by the Government.