



UNIVERSITY OF TORONTO
FACULTY OF LAW

2025
POST-GRADUATION
DEBT REPAYMENT
ASSISTANCE PROGRAM

POLICY BOOKLET

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UNIVERSITY OF TORONTO FACULTY OF LAW

POST-GRADUATION DEBT REPAYMENT ASSISTANCE PROGRAM (PDRAP)

PROGRAM GOALS AND OVERVIEW – SHORT SUMMARY

- ◆ **The Post-Graduation Debt Repayment Assistance Program (PDRAP) is the first and is one of two such programs currently offered in Canada.** Its purpose is to provide law school loan repayment assistance for eligible JD graduates for up to 10 years after graduation. The goal is to ensure that our graduates can make career choices based on their interests rather than debt-induced financial pressure.
- ◆ **PDRAP loans assist graduates with the repayment of eligible academic student debt after graduation. The assistance provided to the participants is in the form of interest free loans from the Faculty of Law.** The PDRAP loan assists with covering the annual amount on eligible law school debt.
- ◆ **A participant can enter, leave, and re-enter the program at any time within 10 years of their graduation.** Graduates may be eligible based on the nature of their employment, health or disability-related issues, staying at home to care for dependents, and/or because they are continuing as full-time students after law school.
- ◆ **At the end of each year, a certain percentage of the loan is forgiven.** For each subsequent year that the student qualifies, the Faculty of Law will continue to provide a PDRAP loan and forgive a higher percentage of the cumulative loan. PDRAP's loan forgiveness schedule is designed to provide the most forgiveness to those participants who remain in lower-paying careers for the longest period. If a student stays in the program for 10 years, the PDRAP loan will be forgiven in its entirety.
- ◆ **Participants apply every year and are reimbursed based on prior year's finances, in this case, 2024.** Income (as determined by the NOA), government student loan payments, and authorized Professional Lines of Credit payments are all considered in determining PDRAP loan benefit. The exception is the alumni who graduated in 2024. Since they worked for only part of 2024, their benefit will be based on the actual 2024 NOA, as well as projected income for the current year (2025). The projected income will be adjusted when they apply for PDRAP the following year (June, 2026).
- ◆ **The Basic Income Level (BIL) for 2024 has been set at \$72,760 per year.** If a participant's income does not exceed the Basic Income Level, the Faculty of Law will loan the participant their entire annual eligible debt repayment obligation.
- ◆ **A participant with a higher income may still qualify for a PDRAP loan.** If the participant's income exceeds the Basic Income Level, the participant will be expected to contribute 30% of the excess income towards their loan obligation. If the participant's expected contribution is higher than their annual debt repayment obligation, the participant will be ineligible for PDRAP assistance.
- ◆ **If the participant is no longer eligible to participate in PDRAP due to an increase in income, they will be required to start paying back the remaining balance of their PDRAP loan** (i.e. amount that was not forgiven). The loan is non-interest bearing and must be paid back by the end of the participant's 10-year eligibility period.

GLOSSARY

Adjusted Basic Income Level (ABIL)

An exemption amount per year that may be added to the basic income level, such as pre-law educational loans or eligible dependents.

Amortization Period

The fixed period during which a borrower is required to pay back a debt.

Annual Percentage Rate

The total cost of borrowing money, expressed as an annual rate.

Basic Income Level (BIL)

The income that a participant earns from all sources. If a participant is married and their spouse/partner is earning more than them, the basic income level will be the average of their incomes as determined by Line 15000 of the income tax Notice of Assessment (NOA).

Consolidation

Combining two or more educational loans into a new loan with a new payment schedule and interest rate.

Credit Score

The score used by lenders to measure a borrower's creditworthiness. It is based on previous borrowing and payment history.

Dependent

A parent or child (under the age of 18 years) whom the PDRAP participant supports financially.

Eligible Pre-law Debt

Educational loans taken during undergraduate and graduate studies before commencing the J.D. Program. Only government loans are eligible.

Forgivable Loan

A loan that a borrower does not have to pay back in full, so long as they meet conditions attached to the loan. For a portion of the loan to be forgiven, the borrower must fulfill certain responsibilities and adhere to certain restrictions.

Grace Period

A period before the borrower enters a repayment period. It begins when the borrower graduates and ends when the first loan payment is due.

Interest

The monthly cost of borrowing money. Interest is charged as a percentage of the amount that a borrower has borrowed.

National Student Loans Service Centre (NSLSC)

Graduates can check their federal student loan balance(s) on [NSLSC's website](#), soon to be replaced by My Service Canada Account. Ontario, British Columbia, Manitoba, Newfoundland and Labrador, and Saskatchewan have integrated student loans under NSLSC, which means students can see both their federal government loans and provincial government loans at one place.

Parental Leave

An approved leave from employment.

Participant Contribution

The amount, based on income from all sources, that the participant is expected to pay towards their loan payments before receiving any PDRAP assistance. If PDRAP participants earn less than the Basic Income Level specified by the program, the participant's contribution is \$0.

Prime Interest Rate

The interest rate used by banks to determine the cost of borrowing. It is used as an index rate for other interest rates. The rate of interest on lines of credit with the law school's preferred lenders (Scotiabank and TD Bank) is prime. The prime rate of interest can change over time.

Principal

Total amount borrowed.

Professional Line of Credit (PLOC)

A loan arrangement which allows a borrower to borrow up to a fixed amount of money. Lines of credit generally have lower interest rates than other forms of debt, such as credit cards.

Professional Line of Credit - Authorized

The amount of eligible loan taken from PLOC, based on financial aid assessment by the Faculty on which the Faculty agreed to reimburse interest payments during law school enrollment.

[Repayment Assistance Plan \(RAP\) and RAP-D for students with disabilities](#)

A federal government program that helps graduates who are having difficulty making payments toward their government student loans. The program reduces participant's monthly payment amounts but is reassessed every six months. The program is not retroactive, participants must apply for benefits as soon as possible.

Spouse/Partner

A person of the same or opposite sex to whom the participant is married, or with whom the participant has cohabited in a conjugal relationship for a period of three or more years, or who is reported to the government by the participant as a common-law partner. If the partners have a child together by birth or adoption, they only need to have been living together for one year.

ELIGIBILITY

PDRAP is open to all University of Toronto, Faculty of Law J.D. graduates within 10 years of their graduation date. Graduates may be eligible based on the nature of their employment, health or disability-related issues, staying at home to care for dependents, and/or because they are continuing as full-time students after law school.

Graduates are eligible to apply for PDRAP in the year following their graduation, and up to 10 years after their graduation. For instance, students graduating in 2025, may apply for PDRAP for years 2026-2035 (2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035).

EMPLOYMENT

Participants are expected to be working full-time. Participants who are not working full-time must confirm that they were actively seeking full-time work or demonstrate that there are extenuating circumstances that prevented them from doing so (e.g. health or disability-related issues, staying at home to care for dependents, and/or because they were continuing as full-time students after law school). Supporting documentation may be required.

INCOME

Annual gross income earned in the prior year will be used to calculate PDRAP benefit and will be calculated as follows:

Canadian Income Tax Return	Line 15000	(Gross income)
Add	Line 12700	(taxable capital gains)
Deduct	Line 21200	(Union and Professional Dues)
Deduct	Line 21400	(Child Care Expenses)*

Participants are required to report the total cumulative value of gifts, inheritances, or other financial windfalls received by their household which, taken together, total over \$10,000 in value in a calendar year. The cumulative amount over \$10,000 will be added to the participant's or spouse's income for the year.

*Childcare Expenses: PDRAP recognizes professional childcare expenses in accordance with the CRA rules. This means that eligible childcare expenses will be deducted from the participant's or the participant's spouse's income, depending on who has the lower income in the household. Payments do not qualify as childcare expenses if they are made to the parent or guardian of the child.

CREDIT SCORE

Participants must have an acceptable credit rating as determined by a recognized credit bureau at the time of their application to PDRAP. Continuing eligibility for PDRAP is contingent upon participants maintaining an acceptable credit rating. Currently, the minimum acceptable score is around 600.

ELIGIBLE LOANS

The following types of loans are eligible to be covered by PDRAP:

- Federal and Provincial student loans taken while at the Faculty of Law
- Faculty of Law pre-authorized lines of credit amounts as determined by the Faculty of Law's Financial Aid Program, and borrowed from Scotiabank, TD Bank or another financial institution.

The repayment obligations of pre-law educational loans are not eligible for coverage by PDRAP. Instead, pre-law debt may be used to adjust the participant's Basic Income Level (BIL).

Graduates who only have pre-law educational loans (e.g. OSAP loans taken out during undergraduate years) and/or non-eligible law-related loans (e.g. amounts taken from the Scotiabank line-of-credit that were not approved as part of the Faculty of Law's interest-free loan program) do not qualify to participate in the PDRAP.

PDRAP only considers eligible debts that are currently in repayment. Loan repayments that have been suspended are not eligible (e.g. repayment on government loans is suspended when a student returns to full-time studies).

TERMINATION OF BENEFITS AND DISQUALIFICATION FROM THE PROGRAM

All PDRAP participants must be up to date on their loan repayment as required by the government and/or their bank. Default or delinquency on loan repayments will disqualify a participant from PDRAP.

PDRAP participants must not have outstanding balances owing to the University of Toronto or the Faculty of Law.

Misrepresentation of any information provided to the Faculty of Law will result in termination of eligibility under the Program. Outstanding PDRAP loan amounts must be paid back immediately upon termination or disqualification.

CALCULATING ANNUAL PDRAP BENEFITS

To calculate participant's annual PDRAP benefit, the program determines the participant's Basic Income Level, annual debt repayment obligations, and any expected annual contributions.

1. DETERMINING ADJUSTED BASIC INCOME LEVEL and EARNINGS

Basic Income Level (BIL)

For 2024, the Basic Income Level has been set at \$72,760. This amount is adjusted annually for inflation based on the Consumer Price Index as well as consultation with the Faculty's Career Development Office.

Adjusted Basic Income Level (ABIL)

The BIL can be adjusted if a participant has pre-law educational debt (such as government student loans taken during undergraduate years), has eligible dependents, and/or has bar admission expenses that were not reimbursed or covered by an employer. Supporting documentation is required.

- Annual loan payments (principal and interest) relating to pre-law educational debt will be added to the participant's BIL. The lesser of either the actual annual repayment obligation or \$4,000 per year may be claimed.
- An allowance of \$5,000 will be added to the participant's BIL for each eligible dependent.
- Bar admission expenses that were not reimbursed or covered by an employer will be added to the participant's BIL

Earnings/Income Calculations

Starting in 2024, participants' PDRAP benefits will be calculated on actual income and debt payments incurred in 2024. Applicants who were in the program last year and had 2024 benefits issued last year based on projected income, will have these benefits adjusted, and reissued again this year based on actuals. For all the following years, benefits will be issued based on the preceding year's income and expenses. For all new applicants, benefits will be based on the preceding year's income and expenses. For new graduates only, applicants will estimate their income for the year of application. The following year an adjustment will be made using actual information and PDRAP benefits will be adjusted accordingly.

For a participant who has a spouse/partner, the participant's income will be deemed as the greater of:

- Participant's income (NOA less fees and dues), or
- Half of the combined income of the participant and their spouse/partner, less appropriate fees/dues

If the spouse has eligible annual government loan payments, they will be deducted from their annual income.

In cases in which the participant and their spouse/partner are both graduates of the Faculty of Law and are both eligible for PDRAP in the same year:

- the income for each will be calculated as half of the couple's combined income, and
- no annual educational loan payments will be deducted from either spouse's income (as each spouse is subject to assistance under the PDRAP).

2. DETERMINING ANNUAL LOAN REPAYMENT OBLIGATIONS

For basic information about debt repayment principles, please see Appendix B: “Understanding Loan Repayment”.

The Faculty of Law lends PDRAP participants the amount that they are required to pay toward their annual law school debt repayment. The Financial Aid Office determines participant’s eligible annual loan repayment obligations based on the information provided in their PDRAP application.

- **Government student loans:** The monthly repayment is listed on the consolidated student loan and repayment form agreement. If government student loans include pre-J.D. or post-J.D. loans, the Financial Aid Office will calculate the monthly re-payment for the J.D.-related loans only.
- **Pre-authorized Lines of Credit loans:** The monthly repayment is calculated based on the total loan amount that was approved by the Faculty of Law and that the participant borrowed during their J.D. program, the annual interest rate, and a 10-year amortizations schedule.
- **First-time participants right after graduation:** PDRAP benefits will be calculated based on the assumption that the pre-authorized loan entered an interest-only repayment period immediately following graduation. The interest-only repayment will continue during the articling period and for 24 months after the articling period is finished. The government loans will enter principal and interest repayment six months immediately following graduation.

Repayment Assistance Plan (RAP)

RAP is a government program designed to assist participants who are having difficulty or are unable to make payments toward their government loans. RAP participants typically have reduced government loan payment obligations, or no repayment obligations, for a six-month period. Applicants are required to reapply every six months.

All PDRAP program applicants MUST first apply for benefits under RAP.

3. DETERMINING PARTICIPANT'S ANNUAL CONTRIBUTION

If a participant's income does not exceed the Basic Income Level (BIL) or the Adjusted Basic Income Level (ABIL), the Faculty of Law will issue an interest free PDRAP loan for participant's entire annual debt repayment obligation. If the participant's income exceeds the BIL or ABIL, the participant will be expected to contribute 30% of the excess income to reduce their loan obligations.

Examples (assuming the 2024 BIL of \$72,760):

Participant #1 is married and neither partner has pre-law educational debt. The participant's expected annual income for 2024 is \$55,000. The participant's partner's income is \$70,000. The eligible income is calculated as $(55,000+70,000)/2=\$62,500$ which is lower than BIL of \$72,760, therefore the participant is not expected to contribute to their authorized debt obligations.

Participant #2 is single, has pre-law educational debt which has an annual repayment of \$3,323. This pre-law debt raises participant's Adjusted BIL to \$76,083 ($\$72,760 + \$3,323$). This participant's annual income is \$80,000, which exceeds the ABIL and the participant is expected to contribute 30% of \$3,917 ($80,000-76,083$), which is \$1,175.10 towards their debt obligations. The remaining eligible debt obligations will be covered by PDRAP.

4. PDRAP LOAN FORGIVENESS SCHEDULE

PDRAP loan forgiveness schedule is designed to provide the most forgiveness to those participants who remain eligible for the longest period. At the end of 10 years in PDRAP, the entire PDRAP loan is forgiven by the Faculty of Law.

While a participant can enter the program any time within 10 years of their graduation, the loan forgiveness will be calculated based on the actual number of years in the program.

Years of participation in the PDRAP	Percentage of PDRAP loan to be forgiven at the end of the year	Percentage of PDRAP loan to be repaid before exiting the Program
1	10%	90%
2	20%	80%
3	30%	70%
4	40%	60%
5	50%	50%
6	60%	40%
7	70%	30%
8	80%	20%
9	90%	10%
10	100%	0%

REPAYMENT OF PDRAP LOANS

PDRAP loans provided to participants do not require repayment so long as participants continue to be eligible. By the time the participant's 10-year term of eligibility in the program is over, no money will be owed to the Faculty because the PDRAP loan will have either been repaid or forgiven, or a combination of both.

Participants who cease to be eligible because they start earning a higher income or have repaid all eligible government and PLOC loans will be required to start paying back the remaining balance of their PDRAP loan immediately. The amount to be repaid is the PDRAP loan amount minus the forgiven amount.

The maximum repayment term is a participant's remaining eligibility period in the PDRAP. For example, if a participant stays in the program for 4 years, they will have 6 years to repay the remaining loan. Faculty's PDRAP loan is non-interest bearing and the minimum monthly payment cannot be less than \$100.

REPAYMENT OF PDRAP OVERPAYMENTS

Recent graduates will receive PDRAP benefits based on projected income and expenses for the upcoming year. When they apply to the program the following year, their benefit will be recalculated based on actual income and expenses. The amount will be adjusted and added or subtracted from the future benefit or will be required to be repaid.

PAYMENT SCHEDULE

PDRAP benefits are distributed once a year, in mid-July for applicants submitting completed applications by the deadline.

Delay in submitting supplementary information may result in participants forfeiting their benefits. Benefits will be distributed first to all participants who completed their application by the deadline. No benefits will be issued to participants who fail to complete application by July 4th.

The payment will be provided by a cheque mailed to the address indicated in the application to participants once the Faculty of Law has received their signed loan agreement form.

ALLOCATION OF PDRAP FUNDS

The Financial Aid Office will allocate PDRAP funds among eligible participants for each application year. Eligible participants will receive PDRAP benefits that are prorated based on the number of participants receiving assistance and funds available for disbursement in any given year.

APPLICATION PROCEDURE

Applications are available online at the Faculty of Law website at law.utoronto.ca/financialaid/pdrap

APPLICATION DEADLINE

June 15th

*Current JD students apply for the year **after** they graduate in June.*

The deadline for applying to PDRAP is June 15th. PDRAP benefits will be paid based on income and authorized debt payments incurred in the prior year. Late applications should be accompanied by a letter explaining any extenuating circumstances for the lateness. If the late application is accepted, PDRAP benefits will be *prorated* based on the lateness of the application. No applications will be accepted after July 15th.

Barring extraordinary circumstances, to be considered for PDRAP benefits, the Financial Aid Office must receive the completed application and all supporting documents by the deadline.

REQUIRED DOCUMENTS

The disbursement of PDRAP benefits is contingent on the participant signing a Loan Agreement and returning it to the Financial Aid Office within the required timeline.

Document	Applicant	Partner (If applicable)
2024 NOA	X	X
If own business, income statement, balance sheet and business tax filing	X	X
Consolidated Student Loan and Repayment form agreement(s) for all pre-law and law school loans showing current loan balance, payment terms, interest rate and monthly payment amount	X	X
Repayment Assistance program (RAP) documentation	X	X
Itemized annual loan statement(s) for Professional Line of Credit showing the current loan balance, monthly payment amount and proof of payment.	X	X
Childcare documentation (i.e. a bill or a signed letter from the childcare provider with child's name on it) - only lower income claims it	X	
2024 union and professional dues proof of payment	X	X
Bar admission expenses proof of payment (for newly admitted lawyers only if not covered/reimbursed by employer)	X	X (if spouse/partner is also a lawyer)

Other documentation may be required at the discretion of the Financial Aid Office.

REQUEST FOR RECONSIDERATION

A participant may request that their application for PDRAP benefits be reconsidered by the Financial Aid Committee within four weeks of the date of the PDRAP notification letter. To request a reconsideration, please send a letter outlining the relief sought to the Financial Aid Committee along with any supporting documentation care of the financial aid office at financialaid.law@utoronto.ca

All decisions by the Financial Aid Committee are final.

INDIVIDUAL FACTORS

In administering the PDRAP, individual factors and special needs may be considered. Special circumstances will be treated on a case-by-case basis.

FINANCIAL AID OFFICE CONTACT INFORMATION

For any inquiries or for further information, please contact:

Irene Aiello, Manager, Financial Aid J.D. Program

Phone: 416-978-5842

Email: financialaid.law@utoronto.ca

APPENDIX A

SAMPLE CALCULATIONS OF PDRAP BENEFITS

The following examples provide various scenarios under PDRAP.

All PDRAP benefits calculated pursuant to the rules set out in this booklet are subject to being reduced proportionately based on the number of participants receiving assistance and funds available in any given year.

Example 1

Single participant, recent graduate and first year in PDRAP

- Class of 2024, *consider loan payments for the period from July 2024 through Dec 2025*
- Total projected annual income for 2025 is \$55,000
- Total eligible government law school debt with a monthly principal and interest payment of \$275. Government loans entered repayment on November 2024
- Total eligible PLOC with a monthly interest payment of \$235.
- Annual eligible law loan obligation first year immediately after graduation
($\$8,080 = \$3,850 + \$4,230$):
 - Government loans (14 months x \$275) = \$3,850 (*start in Nov, the year of graduation*)
 - PLOC, interest payments only (18 months x \$235) = \$4,230 (*June- the year after graduation*)
- No eligible pre-law educational debt

This participant's basic income is not adjusted because they have no dependents and no eligible pre-law educational debt.

Participant's income minus participant's Basic Income Level	$\$55,000 - \$72,760 = \$0$
Participant's expected contribution 30% of Excess Income	$\$0 \times 30\% = \0
Faculty of Law's contribution/PDRAP benefit Annual eligible loan obligations minus participant's expected contribution	$\$8,080 - \$0 = \$8,080$

The Faculty of Law will provide this participant with a loan in the amount of \$8,080. This amount should be used by the participant to pay their monthly payment obligations on eligible law educational loans.

At the end of the first year, 10% of the \$8,080 PDRAP loan (\$808) will be forgiven. If after the first year this participant is no longer eligible to participate in the PDRAP, they will be required to start repaying the remaining **\$7,272** ($\$8,080 - \808) loan.

Example 2

Single participant with eligible pre-law educational debt and first year in PDRAP

- Class of 2024
- Total projected annual income of \$95,000 for 2025
- Total eligible government law school debt with a monthly principal and interest payment of \$275.
- Total eligible PLOC with monthly interest payment of \$235.
- Annual eligible law loan obligation first year immediately after graduation ($\$8,080 = \$3,850 + \$4,230$):
 - Government loans (14 months x \$275) = \$3,850
 - PLOC (18 months x \$235) = \$4,230
- Total eligible pre-law educational debt with an annual loan payment of \$3,178.
- Participant's adjusted Basic Income Level = \$75,938 ($\$72,760 + \$3,178$)

This participant's basic income is adjusted because of pre-law educational debt.

Excess income Participant's Income minus participant's adjusted Basic Income Level	$\$95,000 - \$75,938 = \$19,062$
Participant's expected contribution 30% of Excess Income	$\$19,062 \times 30\% = \$5,718.60$
Faculty of Law's contribution/PDRAP benefit Annual eligible loan obligations minus Participant's expected contribution	$\$8,080 - \$5,718.60 = \$2,361.40$

The Faculty of Law will provide this participant with a loan in the amount of \$2,361.40.

At the end of the first year, 10% of the \$2,361.40 PDRAP loan (\$236.14) will be forgiven. If after the first year this participant is no longer eligible to participate in the PDRAP, they will be required to start re-paying the remaining **\$2,125.26** ($\$2,361.40 - \236.14) loan.

Example 3

Married participant, first year in PDRAP, not recent graduate

- Class of 2023
- Participant's total annual income = \$75,000
- Spouse's total annual income = \$90,000
- Total family annual income after graduation is the greater of:
 - Participant's income \$75,000 or
 - $\frac{1}{2}$ of combined income = **\$82,500** ($\$75,000 + \$90,000$)/2

In this case, will use $\frac{1}{2}$ of combined income

- Total eligible government law school debt with a monthly principal and interest payment of \$275.
- Total eligible PLOC with a monthly interest payment of \$235.
- Annual eligible law loan obligation:
 - Government loans (12 months x \$275) = \$3,300
 - PLOC (12 months x \$235) = \$2,820
- No eligible pre-law educational debt
- Participant's Basic Income Level = \$72,760

This participant's basic income is not adjusted because they have no dependents and no pre-law educational debt.

Excess income Participant's Income minus participant's adjusted Basic Income Level	$\$82,500 - \$72,760 = \$9,740$
Participant's expected contribution 30% of Excess Income	$\$9,740 * 30\% = \$2,922$
Faculty of Law's contribution/PDRAP benefit Annual eligible loan obligations minus Participant's expected contribution	$(\$3,300 + \$2,820) - \$2,922 = \$3,198$

The Faculty of Law will provide this participant with a loan in the amount of \$3,198.

At the end of the first year, 10% of the \$3,198 PDRAP loan (\$319.80) will be forgiven. If after the first year this participant is no longer eligible to participate in the PDRAP, they will be required to start repaying the remaining $\$3,198 - \$319.80 = \mathbf{\$2,878.20}$ loan.

Example 4

Married participant with a child, eligible pre-law educational debt. This is participant's 5th year in the program.

- Class of 2020
- Annual income of \$100,000 in 2024
- Partner's income of \$60,000 per year; partner has no student loans
- Participant has one dependent under 18 (\$5,000 will be added to the BIL)
- Total eligible government law school debt with a monthly payment of \$430.
- Total eligible PLOC loan with a monthly principal and interest payment of \$575.
- Total eligible pre-law educational debt of with monthly principal and interest payment of \$385
 - Eligible annual pre-law educational loan repayment = \$4,620 (\$385 x 12 months). Only \$4,000 of this annual obligation will be added to the basic income level, per the pre-law educational loan policy explained on page 8.
- 2024 Basic Income Level = \$72,760
- Participant's adjusted Basic Level = \$81,760 (\$72,760 + \$5,000 + \$4,000)

This participant's basic income is adjusted because they have one dependent and eligible pre-law educational debt.

- Participant needs to contribute 30% of $(\$100,000 - \$81,760) = \$5,472$ towards their debt

The participants' Annual loan obligation is $(\$430 \times 12) + (\$575 \times 12) = \$5,160 + \$6,900 = \$12,060$

The Faculty of Law's expected contribution is $\$12,060 - \$5,472 = \$6,588$.

This amount will be added to the debt from prior years and since this is participant's 5th year, 50% of the total cumulative loan will be forgiven.

APPENDIX B

UNDERSTANDING LOAN REPAYMENT

This section provides a basic framework for understanding how loan repayment works.

All lenders will expect borrowers to begin repaying their loans within a certain time after graduation. The terms and conditions for each loan are different, even for educational loans. PDRAP participants or potential applicants are advised to either review the documentation they signed when they assumed their loans or speak to their lender(s).

Each loan has an interest rate attached to it. For example, Lines of Credit Loans with Scotiabank and TD have interest rate of prime. This means the cost of borrowing will fluctuate with the Bank of Canada's prime rate.

All lenders impose an amortization period, which is a limited time within which borrowers must pay back their loans. Some lenders may use a longer amortization period; for such cases, a borrower's monthly payment will be lower but there will be more interest paid overall.

Typically, lenders will tell borrowers the monthly minimum payment that they are required to pay. Borrowers who have taken out several loans will need to add up each monthly minimum payment required to determine their total monthly minimum payments to cover all loans.

Government lenders amortize loans over 114 months since during the first 6 months the students don't make any payments. The banks amortize loans over a variable period, but the Faculty assumes an amortization period of 120 months, or 10 years.

Applicants are encouraged to reach out to the Financial Aid office to discuss how their loan payment amounts are calculated for the purposes of the PDRAP program.

APPENDIX C

PDRAP CALCULATION EXAMPLE

Student Graduated in 2024

Post-Graduation Year & Count		Annual Debt Payment Graduate owes lenders (\$) (Amortized Payment)	UofT loan to Graduate to pay current year's Debt Payment (\$)	Total UofT Loans (PDRAP Benefit) given to Graduate to pay Debt Payments owed to lenders (\$)
2025	1st	10,000	10,000	After 1 yr 10,000 = 10,000
2026	2nd	10,000	10,000	After 2 yrs : 10,000 + 10,000 = 20,000
2027	3rd	10,000	10,000	After 3 yrs : 10,000 + 20,000 = 30,000
2028	4th	10,000	10,000	After 4 yrs : 10,000 + 30,000 = 40,000
2029	5th	10,000	10,000	After 5 yrs : 10,000 + 40,000 = 50,000
2030	6th	10,000	10,000	After 6 yrs : 10,000 + 50,000 = 60,000
2031	7th	10,000	10,000	After 7 yrs : 10,000 + 60,000 = 70,000
2032	8th	10,000	10,000	After 8 yrs : 10,000 + 70,000 = 80,000
2033	9th	10,000	10,000	After 9 yrs : 10,000 + 80,000 = 90,000
2034	10th	10,000	10,000	After 10 yrs: 10,000 + 90,000 = 100,000

UofT Loan (PDRAP Benefit) given to Graduate for paying Annual Debt Payment to lenders (\$)

Post-Graduation Year & Count	UofT Loan for Annual Payment	UofT Loan owing from last year	Should now be owing to UofT	Portion that should now be owing to UofT that is forgiven by UofT	Actual UofT Loan amount that will be owing to UofT after forgiveness
2025 1st	10,000.00 +	0.00 =	10,000.00	10% of 10,000.00 = 1,000.00	10,000.00 - 1,000.00 = 9,000.00
2026 2nd	10,000.00 +	9,000.00 =	19,000.00	20% of 19,000.00 = 3,800.00	19,000.00 - 3,800.00 = 15,200.00
2027 3rd	10,000.00 +	15,200.00 =	25,200.00	30% of 25,200.00 = 7,560.00	25,200.00 - 7,560.00 = 17,640.00
2028 4th	10,000.00 +	17,640.00 =	27,640.00	40% of 27,640.00 = 11,056.00	27,640.00 - 11,056.00 = 16,584.00
2029 5th	10,000.00 +	16,584.00 =	26,584.00	50% of 26,584.00 = 13,292.00	26,584.00 - 13,292.00 = 13,292.00
2030 6th	10,000.00 +	13,292.00 =	23,292.00	60% of 23,292.00 = 13,975.20	23,292.00 - 13,975.20 = 9,316.80
2031 7th	10,000.00 +	9,316.80 =	19,316.80	70% of 19,316.80 = 13,521.76	19,316.80 - 13,521.76 = 5,795.04
2032 8th	10,000.00 +	5,795.04 =	15,795.04	80% of 15,795.04 = 12,636.03	15,795.04 - 12,636.03 = 3,159.01
2033 9th	10,000.00 +	3,159.01 =	13,159.01	90% of 13,159.01 = 11,843.11	13,159.01 - 11,843.11 = 1,315.90
2034 10th	10,000.00 +	1,315.90 =	11,315.90	100% of 11,315.90 = 11,315.90	11,315.90 - 11,315.90 = 0.00