

TREASURY BOARD DIRECTIVE

To: The Minister responsible for collection of Student Loans

Directive No.: 1/19

Subject: Establishment of provision for concessionary valuation adjustments for Student Loans

Authority: Section 17(3) of the *Financial Administration Act*.

Application: This directive applies only to the debts and obligations to the government owed under the BC Student Loan Program (the "Student Loans").

Directive: The minister responsible for managing the collection of outstanding Student Loans is directed to establish a provision for concessionary actions when the terms of an agreement governing a Student Loan (a "Loan Agreement") result in a benefit to the recipient of the Student Loan (a "concession").

A concession includes a term of a Loan Agreement where interest is charged at a rate that is 0%.

The provision is to be established at the earlier of:

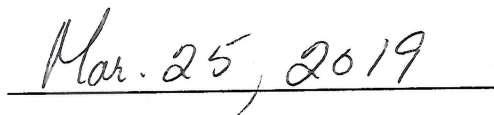
- (a) if a Student Loan is issued that contains a term that results in a concession, on the date on which the Student Loan is first issued, and
- (b) if the interest rate charged on a Student Loan is changed to 0%, on the effective date of that change.

The provision is to be amortized systematically into the Consolidated Revenue Fund over the concessionary term.

Effective Date: March 27, 2019



Honourable Carole James
Chair, Treasury Board



Date