

Frequently Asked Questions

Q: Is this program only for professionals or for people who have degrees?

A: No. Any immigrant who will incur costs in order to again work in the occupation they had in their home country may apply. Tradespeople and skilled workers are encouraged to apply.

Q: Do I have to go back to the same work I did before?

A: No, but you do have to be planning to work in a related field. For instance, if you were a dentist you could apply for a loan to help with the costs of becoming a dental hygienist.

Q: Am I eligible for a loan if I am already working in my field?

A: Yes. You can apply for a loan to help with the costs of advancing your career to the level it was in your home country.

Q: Can I use an IAF loan to pay off my credit card?

A: Yes, but only for charges incurred to pay for classes, exams, books, or other costs related to your returning to work in your field.

Q: I want to work in my field, but my first priority is providing for my family. How can an IAF loan help?

A: Loans may be used to help pay your living expenses while you are attending school or studying for exams.

Q: How much may I borrow?

A: Loans are typically no more than \$5,000. Applicants who feel they will need more than \$5,000 should discuss their situation with their IAF Loan Facilitator when they submit their application.

Q: What is the interest rate?

A: The current rate is 4% (1.5% above the Bank of Canada's prime rate for business). We are pleased to be able to offer this low interest rate (it is common for micro loan programs to charge up to 10% above prime).

Q: Why does IAF charge interest?

A: Because IAF loans are character based rather than collateral based, and since we often loan to people who do not have a credit history in Canada, they are high risk. The interest we charge will help us replenish the loan fund should any loans not be paid back.

Q: Who benefits from the interest paid on the loans?

A: All payments of principal and interest go to the loan fund, helping to ensure the sustainability of the loan fund. Future loan recipients will benefit from the interest paid by today's recipients.

Q: Does IAF make money from the loans?

A: No. IAF is a not-for-profit society whose operating expenses are covered from other sources. All loan interest goes to the loan fund to provide loans to future applicants, and to cover defaulted loans.

Q: How much will my payments be?

A: If you borrow \$5,000, pay interest only for two years, and pay interest plus principal for two years:

- Your monthly interest only payments will be about \$17.
- Your monthly principal and interest payments will be about \$217.
- You will have paid a total of about \$5,611 (\$5,000 in principal and \$611 in interest).

Q: How do I apply for a loan?

A: 1. Contact an IAF Loan Facilitator

In Calgary: Vic Rempel
Phone: (403) 204 2689
or email: vicr@momentum.org

In Edmonton: Sergio Manrique
Phone: (780) 423 9677
or email: smanrique@emcn.ab.ca

2. Get an application from a Loan Facilitator or from www.iafcanada.org
3. Complete your application and forward it to the Loan Facilitator you spoke with.