



MEDIA RELEASE

For Immediate Release

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PHEAA's MySmartBorrowing.org offers look at potential student loan debt before borrowing

*Shows how planning decisions affect long-term finances, features
updated college & career projection data through 2026*

Harrisburg, PA (August 6, 2018) – As college-bound high-school students prepare to return to school at the end of the summer, PHEAA encourages them and their families to visit MySmartBorrowing.org to learn how informed choices made during the planning process can help them avoid unmanageable or unnecessary student loan debt after graduation.

Student loan debt is a growing problem for millions of student loan borrowers who typically graduate college with more than \$34,000 of loan debt. Nationally, 44 million student borrowers owe more than \$1.3 trillion in student loans, with more than 1 million of those borrowers struggling to repay \$100,000 or more in student loan debt.

Such high levels of debt can be extremely burdensome, especially for young adults who are beginning life after graduation with limited financial experience.

“At the college planning stage, PHEAA’s message is consistent. Students should only borrow money when it is absolutely necessary. And when it is necessary, they should only borrow what they can afford to repay after graduation,” said Representative Mike Peifer, PHEAA Board Chairman. “It is also important to understand the different types of student loans that are available, each with different advantages and disadvantages during repayment.”

Unfortunately, many young adults realize that they borrowed too much when it is too late and they find themselves struggling through repayment. In most cases, over borrowing can be avoided when students understand the potential consequences of different choices before they commit to a student loan.

MySmartBorrowing.org is a free, easy-to-use tool that helps users understand how different career, school, and financial decisions can influence the cost of an education and their ability to repay student loans, while maintaining a comfortable lifestyle long after graduation.

MySmartBorrowing was recently updated with enhanced college and career projection data through 2026. This includes expected college costs for various majors at different schools and future employment opportunities and salary levels for different careers and geographic locations.

(more)

This data is used by the site's estimators to provide a personalized look at a student's potential cost of attendance at different schools, while highlighting salary expectations for a particular degree and their future employment prospects.

College-bound students are encouraged to use the site more than once so they can compare different scenarios, using different schools and careers, to see how the choices they make can affect their futures.

"The first step of any higher education funding plan - before taking out any loan - is to make sure you exhaust all eligibility for gift aid, such as scholarships and grants, which do not need to be repaid," said State Senator Wayne D. Fontana, PHEAA Board Vice Chairman. "But every student's financial situation is unique. So when borrowing is unavoidable, its best understand all of your options and how different choices can affect your financial stability long after graduation."

When borrowing is necessary, MySmartBorrowing.org helps users understand the benefits and obligations of different loan options to help minimize loan debt while preparing them for future repayment responsibilities.

To become a "smart borrower," PHEAA recommends these important tips:

- Research what you can expect to earn in your future career, find an affordable school, and borrow realistically.
- Before selecting a major, research the availability of job opportunities in your chosen field to gauge your employability - and your ability to repay student loans.
- Consider all types of financial aid carefully and understand the benefits and obligations of each.
- Before borrowing, learn about the many loan options available.
- Understand that inconsistent or untimely loan repayment could result in long-term consequences.

Students and families are encouraged to visit PHEAA on Facebook, at facebook.com/pheaa.aid and on twitter at twitter.com/PHEAAaid where they can learn more about planning for higher education, including the funding process and reminders of upcoming financial aid application deadlines. Additionally, video tutorials explaining the student aid process and types of aid available can be found at YouTube.com/PHEAAstudentAid.

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About PHEAA

Created in 1963 by the Pennsylvania General Assembly, the Pennsylvania Higher Education Assistance Agency (PHEAA) has evolved into one of the nation's leading nonprofit student aid organizations. PHEAA's earnings are used to support its public service mission, including nearly \$600 million in supplemental funding for grants to students with financial need over the last decade. As the only major federal loan servicer with such a nonprofit public service mission, PHEAA devotes its energy and resources to easing the financial burden of higher education for its primary stakeholders – students and families.

PHEAA conducts its student loan servicing activities nationally **as FedLoan Servicing and American Education Services (AES)**. For more information, visit www.pheaa.org.