



**FOR IMMEDIATE RELEASE**

**NEWS RELEASE**

**CONTACT:** Keith New  
717-720-2509, [knew@pheaa.org](mailto:knew@pheaa.org)

## **PHEAA to launch low-cost PA Forward Student Loan Program**

*Provides cost-effective financing for students struggling to afford the full cost of higher education*

**State College, PA (October 22, 2018)** PHEAA today announced a new student loan program for Pennsylvania students who need help paying for college after exhausting their eligibility for gift aid, such as the PA State Grant Program, and low-cost federal student loans.

The PA Forward Student Loan Program is a borrower-friendly suite of low cost alternative student loans that will be available to Pennsylvania borrowers, beginning with the 2019-20 academic year.

The program includes affordable loans for undergraduate and graduate students, as well as loans for parent borrowers. Additionally, borrowers who are in repayment and want to combine their debt after graduation to achieve a lower monthly payment can benefit from a PA Forward Refinance Loan.

PHEAA is the lender and servicer, with tax-exempt financing provided by the Pennsylvania Department of Community and Economic Development (DCED), making PA Forward Pennsylvania's student loan program.

"We've joined forces to offer a low-cost loan option specifically for Pennsylvania students who are struggling to bridge any funding gap remaining between their financial aid package and their total cost of attendance," said Representative Mike Peifer, PHEAA Board Chairman. "PA Forward is an affordable - and increasingly necessary - part of a student's overall college funding plan that has been missing in the Commonwealth up until now."

Many students experience difficulty when trying to pay for all of their college expenses after taking advantage of available grants, scholarships, campus-based aid, and low-cost federal student loans. If family savings are not sufficient, students are often forced to rely on alternative student loans - many of which come with strict credit requirements, higher interest rates, and few borrower benefits during repayment.

PA Forward student loan borrowers can borrow up to the total cost of attendance with competitively low interest rates. Additional benefits include no application or origination fees, immediate credit approvals, and flexible repayment options.

Borrowers can receive a .25 percent interest rate reduction for enrolling in an automatic direct debit program and an additional .50 percent interest rate reduction for achieving successful graduation. Borrowers also benefit from a 6-month grace period after graduation before the first payment is due. This allows borrowers time to get their finances in order, including time to find a job, before repayment begins.

(more)

Borrowers who take full advantage of the program's benefits could save thousands of dollars over the life of the loan.

"Students should avoid borrowing to pay for college whenever possible - but that's not a reality for millions of students who have no other option," said Senator Wayne Fontana, PHEAA Board Vice Chairman. "Now, Pennsylvania students who need that extra financial assistance finally have access to an alternative loan program that puts their needs first by keeping costs down and providing peace of mind during repayment."

Pennsylvania joins 20 other states, including New Jersey and Massachusetts, in offering a similar loan program as a public service to its residents.

PHEAA has a 55-year history of helping students achieve an affordable higher education in the Commonwealth.

PHEAA encourages students and their families to exhaust all eligibility for grants and scholarships before considering a student loan. When borrowing is necessary, students should first apply for low-cost federal student loans before turning to an alternative student loan, which often have higher interest rates.

To help students make informed choices about their higher education funding plan that can prevent unnecessary or excessive borrowing, PHEAA created MySmartBorrowing.org. This free resource helps users understand how different career, school, and financial decisions made during the college planning process can influence their total cost of an education and their ability to repay any student loans after graduation.

To learn more about PA Forward loans and to access an application when they become available in 2019, please visit [PHEAA.org/PA-Forward](http://PHEAA.org/PA-Forward)

For more information on finding financial aid to help fund postsecondary education, including tips, deadlines, and free financial aid workshops, visit PHEAA on Facebook at [www.facebook.com/pheaa.aid](http://www.facebook.com/pheaa.aid) or visit [PHEAA.org](http://PHEAA.org). You can also view helpful financial aid planning videos at [youtube.com/PHEAASStudentAid](http://youtube.com/PHEAASStudentAid).

# # #

#### **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 student aid organizations. Today, PHEAA is a national provider of student financial aid services, serving millions of students and thousands of schools through its loan guaranty, loan servicing, financial aid processing, outreach and other student aid programs.

PHEAA's earnings are used to support its public service mission and to pay its operating costs, including administration of the Pennsylvania State Grant and other state-funded student aid programs. PHEAA continues to devote its energy, resources and imagination to developing innovative ways to ease the financial burden of higher education for students, families, schools and taxpayers.

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