



MEDIA RELEASE

For Immediate Release

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PHEAA Launches New Student Loan Refinance Option to Offer Flexibility & Simplicity in Managing Student Loan Debt

PA college graduates carry an average of \$37,900 in debt – 2nd highest in the nation

Harrisburg, PA (February 3, 2020) – The Pennsylvania Higher Education Assistance Agency (PHEAA) today announced the newest expansion of its successful PA Forward Student Loan Program, offering borrowers a more streamlined way to manage their debt by combining all of their federal and private student loans into a single monthly payment.

The PA Forward Student Loan Refinance Program offers competitive fixed interest rates, currently as low as 3.72 percent APR*, which is significantly lower than the average private student loan rate of 8.86 percent** and the average Federal PLUS loan rate of 6.97 percent.***

PHEAA's PA Forward Student Loan Program offers a suite of borrower-friendly loans for undergraduate and graduate students, for parent borrowers and, now, for borrowers in repayment seeking a simple and straightforward way to manage their debt.

Eligible federal loans include Stafford, PLUS, Graduate PLUS, Consolidation, and Perkins Loans. Borrowers should be aware that refinancing federal student loans will result in the loss of current or future federal loan-specific loan benefits. Eligible private loans include any student loan used for qualified postsecondary education expenses.

“As with all of PHEAA's business activities, the money earned through the PA Forward Student Loan Program will be used to help support the Agency's public service mission for the Commonwealth,” said Representative Mike Peifer, PHEAA Board Chairman. “This includes more than \$1 billion that has been allocated to fund student aid programs and services for Pennsylvania residents over the last 10 years – helping to fund grant awards for 825,000 students with financial need during that time.”

“While this new program helps borrowers manage their debt during repayment, students should avoid taking out any loan, if possible, by first taking full advantage of federal and state grant and scholarship opportunities,” said Senator Wayne Fontana, PHEAA Board Vice Chairman. “When borrowing is absolutely necessary, PHEAA works to make sure that students have the resources needed to make smart choices - this includes access to free planning tools such as MySmartBorrowing.org and to low-cost loans through the PA Forward Student Loan Program.”

PHEAA's PA Forward Refinance Loan offers several benefits, including:

- No application or origination fees
- No pre-payment penalty
- Flexible repayment terms of 5, 7, 10, 15, or 20 years
- Potential for lower monthly payments
- 0.25% interest rate reduction for enrolling in Direct Debit
- Available biweekly payment options that can pay off a 10 year loan, 10 months sooner; saving significantly more money in interest

(more)

While the PA Forward Refinance Loan does not require a co-signer, applicants may benefit from a creditworthy co-signer if they do not meet minimum credit requirements. A creditworthy co-signer may also increase an applicant's chances for approval and could result in a lower interest rate.

The program is available to eligible Pennsylvania residents or eligible residents of an approved state (MD, NJ, DE, NY, VA, and OH) who are borrowers of the student loans that are to be refinanced.

For more information, visit PHEAA.org/refi. For specific questions, call 1-844-PAFORWD (1-844-723-6793).

Students, borrowers, and families are encouraged to visit PHEAA on [Facebook](#), [Twitter](#) (@PHEAAid), and [LinkedIn](#) where they can learn more about the higher education financial aid process, register for reminders of financial aid deadlines, and get information pertaining to planning for higher education. Additionally, video tutorials explaining the student aid process and types of aid available can be found at YouTube.com/PHEAstudentAid.

** Annual Percentage Rate (APR) Calculations - The lowest APR is based on the following assumptions: a loan of \$20,000 made in a single disbursement, an Immediate Repayment Plan and a repayment term of 60 months, monthly on-time payments of \$365.90, a fixed periodic interest rate of 3.98%, and a total amount financed of \$21,953.91. The borrower in this sample qualified for a 0.25% Direct Debit benefit for the entirety of the repayment period. This APR is an estimate and may differ from the actual rates received.*

***Source: LendEDU- State of Private Student Loans Report 2019 (Average Rate 2016-19).*

****Source: StudentAid.gov – Federal Interest Rates and Fees (Average Rate 2016-19).*

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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 student aid organizations. Today PHEAA is a national provider of student financial 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 PA State Grant and other state-funded student aid programs. As the only major federal loan servicer with a nonprofit public service mission, PHEAA devotes its energy and resources to help ease the financial burden of higher education for its primary stakeholders – Pennsylvania students and families.

PHEAA conducts its student loan servicing operations nationally as FedLoan Servicing and American Education Services (AES). PHEAA operates its digital technology division as Avereo.