



FOR IMMEDIATE RELEASE

NEWS RELEASE

CONTACT: Keith New
717-720-2509, knew@pheaa.org

PHEAA launches new low-cost PA Forward Student Loan Program

Applications now available - could save students thousands of dollars

Harrisburg, PA (April 30, 2019) PHEAA today announced that applications are available for the Commonwealth's new PA Forward Student Loan Program, currently offering a suite of borrower-friendly loans for undergraduate and graduate students, and parent borrowers. A PA Forward Refinance Loan will be offered later this year to combine all of a borrower's Federal and private loans into one convenient monthly payment, which could help lower their monthly payment and/or reduce the amount they pay over the life of the loan.

"The PA Forward Loan Program will make borrowing more affordable in Pennsylvania - but students must first understand that loans should be used to pay for college only when it's absolutely necessary," said Representative Mike Peifer, PHEAA Board Chairman. "We created this new low-cost loan program to provide relief to students and families who might still need financing assistance – even after exhausting their eligibility for grants, scholarships, and low-cost federal loans."

With first year borrowing limits on federal loans as low as \$5,500 and the annual average cost to attend college in Pennsylvania at \$43,866*, many students experience difficulty affording the full cost of attendance even after taking advantage of available grants, scholarships, campus-based aid, and federal loans.

If family savings are not sufficient, students often rely on private student loans - many of which come with strict credit requirements, higher interest rates, and few borrower benefits during repayment. This is one reason why the average student loan debt for a Pennsylvania undergraduate student is nearly \$37,000.

"While today's easy access to expensive private loans helps fill a funding gap for many students, it's also one of the reasons that millions of borrowers are struggling to manage crushing levels of loan debt for decades after graduation," said Senator Wayne Fontana, PHEAA Board Vice Chairman. "This is also why we are so excited about the PA Forward Loan Program, as it finally gives Pennsylvania students a borrower-friendly, lower-cost private loan option from a trusted source."

PHEAA will serve as the lender and loan servicer for the program, with tax-exempt allocation provided by the Pennsylvania Department of Community and Economic Development (DCED). Leveraging the combined resources of the Commonwealth allows PHEAA to provide the program at low rates with better borrower benefits as compared to most commercial private loan programs.

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, and flexible repayment options and terms.

(more)

Borrowers can receive a .50 percent interest rate reduction upon successful graduation and an additional .25 percent interest rate reduction for immediate repay through direct debit. Student borrowers could also benefit from an available 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.

To learn more about PA Forward loans and to apply online, visit PHEAA.org/PA-Forward .

To help students make informed choices about their higher education funding plan, especially when considering a student loan, 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.

Students and families are encouraged to visit PHEAA on [Facebook](#), [Twitter](#) (@PHEAAaid), and [LinkedIn](#) where they can learn more about the higher education financial aid process, reminders of financial aid deadlines, and 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.

** Average full-time student cost of attendance for the 2017-18 school year, including tuition & fees, on-campus room & board, books & supplies, and other expenses.*

#

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 customers through its loan servicing, loan guaranty, financial aid processing, public service outreach and other student aid programs, products and services.

PHEAA's earnings are used to support its public service mission and to pay its operating costs, including the administration of the PA State Grant and other state-funded student aid programs. PHEAA has contributed more than \$1 billion from its earnings in direct supplemental funding for student aid programs to further support Pennsylvania 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.