PHEAA formalizes agreement with U.S. Department of Education to assist borrower transition to other servicers

Harrisburg, PA (November 10, 2021) – The Pennsylvania Higher Education Assistance Agency (PHEAA) announced today it has reached agreement with the U.S. Department of Education's Federal Student Aid (FSA) and has signed a one-year contract extension to service Federal student loans past the December 14, 2021 expiration date of its current servicing contract.

PHEAA stated on July 8, 2021 that it would not seek to renew or accept a long-term extension of its servicing contract with FSA; however, PHEAA was clear that it would entertain a short-term extension as necessary to ensure a smooth transition for 8.5 million federal borrowers that include PSLF and TEACH borrowers.

This contract extension, which will end in December 2022, provides that all loans will be successfully transferred from PHEAA to other servicers before that date. FSA recently announced its decision to transfer those borrower accounts, in numbers determined by FSA, to MOHELA, Navient, Edfinancial and NelNet.

PHEAA is pleased to have negotiated with FSA to reach this contract extension that provides an orderly and timely transfer of borrowers from PHEAA to successor servicers.

PHEAA also continues its work to prepare borrowers for resuming repayment of federal student loans on February 1, 2022, while also working to fulfill its public service mission for the Commonwealth of Pennsylvania.

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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.