FOR IMMEDIATE RELEASE

PHEAA’s PA Forward Student Loan Program Fills College Funding Gaps Responsibly
Encourages “smart borrowing” as students prepare for 2020-21 school year

Harrisburg, PA (August 20, 2020) – PHEAA is encouraging college-bound students and their families to make smart financial choices to avoid unnecessary or excessive loan debt as they finalize their 2020-21 higher education funding plans. While students should first exhaust their eligibility for gift aid, such as grants and scholarships, before borrowing, the PA Forward Student Loan Program is available to help fill any remaining funding gaps.

“As the school year quickly approaches, some students may be struggling to cover the full cost of their education as family savings and available gift aid fall short,” said Representative Mike Peifer, PHEAA Board Chairman. “We created the PA Forward Student Loan Program to be an accessible, borrower-friendly loan option to help bridge those gaps while easing the repayment experience after graduation.”

Designed to bridge funding gaps responsibly, PHEAA, in cooperation with the PA Treasury and the PA Department of Community and Economic Development (DCED), offers the PA Forward Student Loan Program. Now in its second year, PA Forward is a suite of borrower-friendly, Pennsylvania-based student loan products allowing borrowers to borrow up to the total cost of attendance with competitively low interest rates and a variety of upfront and repayment benefits.

“When borrowing money to pay for college is unavoidable, federal Stafford loans should be the first choice as they typically have lower interest rates, in addition to more repayment options and other benefits during repayment,” said Senator Wayne D. Fontana, PHEAA Board Vice Chairman. “If additional funding is needed, PA Forward is a great option to consider.”

The PA Forward Student Loan Program includes four different student loan products:

- **PA Forward Undergraduate Loan** for students seeking an undergraduate degree, certificate, or diploma
- **PA Forward Graduate Loan** for students seeking an advanced degree such as masters, doctoral, law, health profession, or others
- **PA Forward Parent Loan** for parents or guardians of dependent undergraduate students seeking an undergraduate degree, certificate, or diploma
- **PA Forward Refinance Loan** for borrowers in repayment seeking a more streamlined way to manage their debt by combining all of their federal and private student loans into a single monthly payment under new terms and conditions.

(more)
More than 2,800 borrowers took advantage of the PA Forward Student Loan Program and its benefits during the program’s first year, borrowing more than $40 million.

Program benefits include no application or origination fees, no pre-payment penalties, multiple flexible repayment options, a .50% interest rate reduction as a graduation benefit for undergraduate and graduate loans, a .25% interest rate reduction upon enrollment in Direct Debit, and a biweekly payment option to promote positive repayment habits.

Earlier this year, existing PA Forward Student Loan Undergraduate, Graduate, and Parent Loan customers also received a permanent .98% interest rate reduction. This means PA Forward Undergraduate and Graduate Loan borrowers were able to reduce their existing interest rate by 1.73% when combined with the program’s graduation and direct debit benefits, and PA Forward Parent Loan borrowers were able to reduce their interest rate in total by 1.23%, when combined with the program’s direct debit benefits.

While the PA Forward Student Loan Program does not require a co-signer if you have reached the age of majority in your state, 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.

PHEAA is the lender and servicer for the program, with a line of credit provided by the PA Treasury and tax-exempt allocation from DCED, making PA Forward Pennsylvania’s student loan program.

As with all of PHEAA’s business activities, the money earned through the program supports the Agency’s public service mission. This includes nearly $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 more than 825,000 students with financial need.

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

To learn more about PA Forward loans and submit an application, please visit 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 or visit PHEAA.org. You can also view helpful financial aid planning videos at youtube.com/PHEAAStudentAid.

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.