



**FINANCE AND ADMINISTRATION CABINET
KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY**

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FOR IMMEDIATE RELEASE

Families encouraged to compare costs and save on student loans

Frankfort, Kentucky (May 21, 2007) — Kentuckians who must borrow to pay for college or technical training are encouraged to compare costs and benefits associated with student loans to perhaps save hundreds, and even thousands, of dollars.

How to Save if You Have to Borrow is featured at www.kheaa.com, the Web site of the Kentucky Higher Education Assistance Authority (KHEAA). The site describes important lender information that student loan borrowers should consider and compares the loan costs of the major lenders for which KHEAA guarantees Federal Family Education Loans.

Under federal guidelines, lenders are required to charge an origination fee of up to 2 percent of the gross Federal Stafford Loan amount (the fee will drop to 1.5 percent as of July 1) and 3 percent on Parent or Graduate PLUS Loans. Some lenders offer discounts on the Stafford origination fee, while others offer special discounts or rebates for making on-time payments or making payments by automatic debit. Other lenders provide loan forgiveness for working in certain professions.

The comparisons on KHEAA's Web site are updated each year. However, loan costs sometimes change, so students and their families should contact the lender for the most current information.

"Many important considerations are involved in choosing a student loan provider," said Edward J. Cunningham, KHEAA Executive Director and CEO. "We encourage borrowers to compare the origination fees, discounts and other savings each lender offers and choose the one that's best for them."

KHEAA is the state agency that administers the Kentucky Educational Excellence (KEES) scholarship, need-based grants and other student aid programs and guarantees Federal Family Education Loans to help Kentuckians pay higher education expenses.

To learn how to plan and prepare for higher education, visit www.GoHigherKY.org. For more information about Kentucky scholarships and grants, visit www.kheaa.com; write KHEAA, P.O. Box 798, Frankfort, KY 40602-0798; or call (800) 928-8926, extension 7381.

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