



FINANCE AND ADMINISTRATION CABINET  
KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY

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**Money Tips for College Students: How to Make It, Use It and Save It**

**Time to repay your student loans**

If you finished college in May and have student loans, your six-month grace period should be up soon. That means it's time to start repaying your loans.

One of the smartest things you can do is pay more than the amount your lender has set for your payment. The extra is applied to the principal, meaning you'll pay less interest over the life of your loan.

As a student loan borrower, you should let your lender know:

- If you change your name, address or phone number.
- If something changes your status, such as going back to school.
- If you have problems making your payments.

Remember that you have several repayment plans to choose from. The standard repayment plan calls for equal monthly payments over 10 years. The minimum monthly payment is \$50. Other options are:

- Graduated repayment, which starts with lower repayment amounts that get higher over the maximum 10-year period.
- Income-sensitive repayment, with monthly payments based on gross income, with a maximum period of 15 years.
- Income-based repayment, with monthly amounts based on income and family size. The maximum period is 25 years, with any balance remaining at the end of 25 years forgiven.
- Extended repayment, which lets you take up to 25 years to repay your student loans if you borrowed more than \$30,000 and none of your loans were made before October 7, 1998.

You will pay more interest over the life of the loan if you use any option other than standard repayment.

If you're having trouble making payments, contact your lender immediately. You may qualify for a deferment or forbearance, which can let you stop making payments or make lower payments for awhile.

To learn how to plan for higher education, visit [www.GoHigherKY.org](http://www.GoHigherKY.org). For more information about Kentucky financial aid, visit [www.kheaa.com](http://www.kheaa.com); write KHEAA, P.O. Box 798, Frankfort, KY 40602-0798; or call (800) 928-8926.

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