

KHEAA

simplifying the process

ADVISOR



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KHEAA is here to help make sense of the changes caused by COVID-19. Our commitment to you remains strong, but our delivery methods have been altered.

KHEAA remains committed to helping you with your educational questions. Following guidelines from Governor Andy Beshear and the Centers for Disease Control, we are adapting the way we do our day-to-day business to protect the health and safety of students, families, partners and staff.

We continue to serve our community, students, families and school partners to the utmost of our ability.

Our customer service specialists remain in place to assist you. Please call 800-928-8926 if you have questions.

Grant and scholarship programs are being processed as normal. New applications for assistance are being processed and the deadlines are listed on the program information pages at kheaa.com.

KHEAA Verify, Cohort Default Management Services, and KHEAA's loan origination and disbursement services continue.

KHEAA stands ready to help if you have been impacted by COVID-19.



New interest rates for Advantage Education Loans

Kentucky students and families who need extra help paying for college expenses can now save even more with the state's only nonprofit private student loan.

The Kentucky Higher Education Student Loan Corporation (KHESLC) has lowered the interest rates on its Advantage Education Loans.

As a not-for-profit public agency, KHESLC keeps its rates as low as possible to help students and their families pay for college. To help borrowers who are repaying their loans, the corporation also lowered the eligible months for the cosigner release benefit from 36 to 12 months.

Interest rates on student and parent loans now range from 3.09 percent to 6.48 percent. Those rates drop to 2.84 percent and 6.23 percent if borrowers use autopay.

People who cosign loans for borrowers can now be released from their obligations if the borrower makes 12 consecutive months of payments on time.

Borrowers who are repaying multiple student loans will also see lower interest rates on refinance loans from KHESLC. Rates on those loans will now range from 3.19 percent to 6.49 percent. Again, borrowers who use autopay will see their interest rates drop by 0.25 percent.

The Kentucky General Assembly created KHESLC in 1978 as an independent public agency to provide low-cost student loans to students and parents. It is a sister agency to the Kentucky Higher Education Assistance Authority (KHEAA), the state agency that administers the Kentucky Educational Excellence Scholarship (KEES) and other state student aid programs.

To learn more about Advantage Education Loans, visit AdvantageEducationLoan.com.

Public Service Loan Forgiveness (PSLF) program overhaul

On Oct. 6, 2021, the U.S. Department of Education (ED) announced a change to PSLF program rules for a limited time as a result of the COVID-19 national emergency. Throughout the pandemic, ED has provided a variety of benefits to borrowers.

Now, for a limited period of time, borrowers may receive credit for past payments made on loans that would otherwise not qualify for PSLF.

Under the new rules, any prior payment made will count as a qualifying payment, regardless of loan type, repayment plan, or whether the payment was made in full or on time. All that is needed is qualifying employment.

This change will apply to student loan borrowers with Direct Loans, those who have already consolidated into the Direct Loan Program, and those who consolidate into the Direct Loan Program by October 31, 2022.

There are two requirements to receive additional qualifying payments:

Full-time employment.

The borrower must have worked full-time for a qualifying employer when prior payments were made. If they were employed in more than one qualifying part-time job at the same time, they will be considered full-time if they worked a combined average of at least 30 hours per week. They can receive credit only for payments made after Oct. 1, 2007, since that is when the PSLF Program began.

Loan consolidation.

If borrowers have Federal Family Education Loan (FFEL) Program loans, Federal Perkins Loans, or other types of federal student loans that are not Direct Loans, they must consolidate those loans into the Direct Loan program by October 31, 2022.

ED will also be making changes to the PSLF program in the coming months:

- Eliminate barriers for military service members to receive PSLF.
- Automatically help service members and other federal employees access PSLF.
- Review denied PSLF applications and identify and correct errors in PSLF processing.
- Improve outreach and communication with PSLF-eligible borrowers.
- Simplify the PSLF application process.
- Make long-term improvements to PSLF through rulemaking.

To learn more about the changes to PSLF and the waiver visit [StudentAid.gov/PSLFWaiver](https://studentaid.gov/PSLFWaiver).

Student loans set to reenter repayment

The recent COVID pandemic has thrown curve balls at everyone and the economy in general. Student loans were put on hold to help those struggling with losing their jobs or having their hours cut. That holding pattern was set to end on January 31, 2022, but has been extended through May 1, 2022.

KHEAA recommends watching out for upcoming issues that could lead to increased defaults. The ultimate goal is to keep your cohort default rate as low as possible.

Student Loan Repayments Resume

Be ready when the pause on federal student loan payments ends in May 2022. Borrowers across the nation will be responsible for resuming student loan payments at that time, although many are still dealing with the effects of the COVID-19 pandemic and economic downturn: no job, hours cut, housing issues, other uncertainties. We will all be busy dealing with students' concerns.

Changes for Servicing Companies

Many student loan servicing companies have furloughed staff, so reaching the servicer has been a challenge for some borrowers. Some servicers have or will be exiting the federal loan servicing venue altogether, causing an increased number of loan transfers. These and other issues can add to the borrower's confusion and anxiety, and ultimately result in default.

If you see an uptick in defaults or would like to head it off before you notice a rise, contact KHEAA for Cohort Default Management Services. We have a proven track record of lowering our clients' CDR.

Contact marketing@kheaa.com or call 800-928-8926 for help.

The KHEAA Advisor has a new release schedule. New issues will now be released twice a year, in spring and fall. For any questions or for more information, please contact Tim Ballard at tballard@kheaa.com.

School highlight

Angel Miller | Senior Director of Financial Planning | Sullivan University
Louisville, Kentucky

What made you choose financial aid as a profession?

Originally, I was a senior loan officer at a mortgage brokerage in 2008. That's when the market turned south and I decided to find a different position in which I could use my loan expertise. Financial aid seemed like a good fit.

What has kept you in financial aid?

Little did I know at that time how different financial aid was from selling and originating mortgage loans. Differences aside, I found that I loved financial aid because it did allow me to really help students finance their education on a very personal level and afforded me the opportunity to be a continuous student. You will always be learning in financial aid, and I love that!

What accomplishments are you the most proud?

Since starting in financial aid in 2008, I have been afforded several opportunities to be a leader and problem solver. In my previous employment, I was able to merge financial aid and academics to create a one-stop-shop. It was by far the most challenging project I ever spearheaded but was also the most rewarding. Creating the one-stop-shop allowed us to service the student fully from beginning to end, increased our retention rates, and allowed us to develop very natural, deep, relationships with the students we served.

How do you spend your free time?

What energizes you?

I spend most of my free time with my children, 21, 16, and 13.

They are all very active and always have something extracurricular going on that I love to be involved in. Additionally, I am expecting my first grandchild this fall and cannot wait to meet my new baby girl!

How has working with KHEAA improved your workflow or helped your students?

Using KHEAA Verify has allowed us to replace one full-time position that was solely dedicated to working verifications. KHEAA Verify generally has quick turnaround times if the students provide all the needed information at one time. There are often times when a student just doesn't "get it" and needs additional help. KHEAA Verify will step right in and contact the student and walk them through what exactly is needed. There have also been times when we just need something worked faster, and KHEAA Verify is always accommodating to those needs as well. They are a great partner and very responsive.



Staff highlight

Brittany Christy | Assistant Director of Customer Care at KHEAA



As the assistant director of customer care, Brittany Christy has a variety of responsibilities. She supervises the call center and verification reviewers, ensuring quality control. She also communicates with schools and assists them with our services, even talking to parents and students when needed.

“It’s fun to brainstorm ways we can make our processes more efficient and easier to use for students.” She is new to the role, but has been with KHEAA since June 2013.

Brittany chose KHEAA because she was looking for a company she could grow with and liked the challenge of learning something new. She has a degree in information technology, but when she started working with KHEAA she didn’t have much knowledge of the higher education field. However, she liked the idea of helping students realize their dream of attending college. She was quick to learn and continues to learn more with each year on the job.

When she's not at work, Brittany spends her time with her family. She's married with two kids, which keeps her busy outside the office. She also loves spending time outside, particularly during the summer.

KHEAA products and services

In these unprecedented times, you can continue to depend on our services to help fulfill all your higher education needs. For more information on any of our services, contact marketing@kheaa.com.

Advantage Education Loans

The **Advantage Education Loan** is a great choice for students who have exhausted their grant and scholarship options. The **Advantage Parent Loan** is also available for the student's parents. Rates have just decreased — FIXED interest rates as low as 2.84% APR* using autopay, and there are NO fees. Rates vary based on the repayment plan selected, credit history and other factors. Borrowers may qualify for a lower interest rate if they apply with a cosigner.

The **Advantage Refinance Loan** is offered to students once they are out of school and in repayment. Terrific FIXED rates are now as low as 2.94% APR* using autopay, and NO fees. Getting an Advantage Refinance Loan is an excellent way for student and parent borrowers to roll all their educational loans into one convenient loan, save on interest charges and get out of debt faster.

Cohort Default Management Services

Proactively manage your Cohort Default Rate with our **Cohort Default Management Services**. KHEAA understands the importance of keeping your default rates as low as possible — that's why we offer two levels of our Cohort Default Management Services to meet your needs: Early Intervention and Default Prevention.

KHEAA Verify

KHEAA Verify is a comprehensive online, turn-key FAFSA verification service. Our service performs the entire verification process, all the way from the student's initial notification to verifying and submitting corrections. This gives your staff the opportunity to focus on other pressing matters.

* Please see the Advantage Education Loan [website](#) for all the fine print.

For information on KHEAA's products and services, email marketing@kheaa.com or call 800-928-8926.

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Your Opinion Matters

Do you have a subject you would like to see addressed in the KHEAA Advisor?
Someone you would like to see highlighted?

If so, please send your suggestions to
Tim Ballard at tballard@kheaa.com.