

KHEAA Advisor

Simplifying the process.

Volume 4 Issue 4 Summer 2013



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If you have a question you would like to see addressed in a public forum such as *KHEAA Advisor*, please send the question or topic suggestion to Meredith Geraci at mgeraci@kheslc.com.



GAP YEAR AND SUMMER MELT

In May 2013, KHEAA cosponsored the I'm Going to College! rally in Louisville to encourage high school graduates to continue on to college. Ninety percent of Jefferson County Public School graduates apply to college, but only two thirds of them actually enter a college or university in the fall.

Some students choose to sit out the year after high school to study abroad, travel, volunteer or work in a field they're interested in pursuing — known as a “Gap Year.”

Advantages of taking a gap year

- Opportunities to see the world.
- Increased maturity and confidence.
- More focused on their future career.
- Clarification of the “intellectual, academic, and professional objectives of a student.”¹

Disadvantages

- Financial burden, expensive.
- Year behind high school friends.
- Study skills could suffer in the student's year absence from formal study.

The flip side of a gap year, and the most prevalent in Kentucky, is the “Summer Melt” — when students decide not to go to college after high school, for less exotic reasons:

- Lack of resources, role models and mentors.
- Financial challenges, especially students from single-parent households or being the first in their family to attend college.
- High school friends are not continuing on to college.

Based on a recent study highlighted by npr.org,² the type of student in the summer melt tends to be from a low-income household, has weaker grades and plans to go to a community college rather than four-year university. These students have a harder time navigating through all the paperwork that needs to be completed, especially financial aid.

One proposed solution is to have high school counselors or college staff assist these students during the summer after high school graduation. How to pay for these services is the major stumbling block.

1 “Decide if a Gap Year Makes Sense for You” by Bradford Holmes, July 8, 2013
www.usnews.com/education/blogs/college-admissions-playbook

2 “Why Poor Students' College Plans ‘Melt’ Over The Summer” by David Greene and Shankar Vedantam, July 16, 2013
www.npr.org/2013/07/16/202566709/

LOWERING YOUR COHORT DEFAULT RATE



Another trend shows a group of students who start college but withdraw before earning their degree, sometimes withdrawing during their first semester. Many schools do not give tuition refunds if a student has attended a month of classes. Students who withdraw early may owe student loans even if they have no degree. These students are susceptible to becoming past due on their loan payments, possibly leading to default.

If you need help lowering your default rate, please contact your KHEAA marketing representative about our Cohort Default Management Service. There are three categories from which to choose to help you manage your default rate and help your students:

If you need help lowering your default rate, please contact your KHEAA/KHESLC representative about our Cohort Default Management Service. There are three categories from which to choose to help you manage your default rate and help your students:

Early Intervention reaches out to your students who will soon enter repayment through graduating, withdrawing or dropping below part-time status. This program offers proactive help to keep students from missing or being late on payments.

Default Prevention contacts borrowers in your cohort who are delinquent but not yet in default. These borrowers are counseled on their repayment options, including deferments and forbearances. Once we determine the reason for the delinquency, we can offer the proper assistance to get them over their hurdle.

Student Transition Service, our newest feature, offers timely messages that are sent to targeted student groups throughout their college career. The information is designed to:

- support transition into higher education.
- promote financial literacy.
- navigate college life.
- encourage persistence and completion.
- educate students preparing to enter the workforce.
- promote successful management of student debt.

**To learn more about our
Cohort Default
Management Service
and how it can help you
and your students:**

- Call 800.564.6068
- Email marketing@kheaa.com

'GETTING THE FACTS'

“Getting the Facts” is a free tool for high school students and their families to help them compare up to six colleges.

“Getting the Facts” is based on self-reported information and will show the family what they can expect to pay out of pocket for each college selected, as well as highlights of each of the institutions.

Every high school student is encouraged to request a copy as a junior or senior.

Kentucky students can request a free copy at kheaa.com or by calling 1.888.678.4625.

College Name	Estimated Annual Cost of Attendance	Estimated Annual Out-of-Pocket	Estimated Annual Net Cost
University of Kentucky	\$10,000	\$1,000	\$9,000
Eastern Kentucky University	\$8,000	\$800	\$7,200
Western Kentucky University	\$9,500	\$950	\$8,550
Eastern Tennessee State University	\$7,500	\$750	\$6,750
Middle Tennessee State University	\$11,000	\$1,100	\$9,900
Tennessee State University	\$6,000	\$600	\$5,400



To learn how to plan and prepare for higher education, visit gotocollege.ky.gov.

For more information about Kentucky scholarships and grants, visit kheaa.com and click on the “Paying for College” tab.

NEW!! LOWER INTEREST RATES



Immediate Repayment – Principal plus Interest*

5.79 to 7.09% FIXED interest rate

2% Guarantee fee

0.50% Interest rate reduction for auto debit

Repayment begins as soon as the loan is fully disbursed.

Immediate Repayment – Interest Only**

5.79 to 7.09% FIXED interest rate

2% Guarantee fee

0.50% Interest rate reduction for auto debit

Interest payments begin as soon as the loan is fully disbursed. Full repayment begins six months after the student leaves school or drops below half-time status.

Postponed Repayment

6.49% to 7.59% FIXED interest rate

3% Guarantee fee

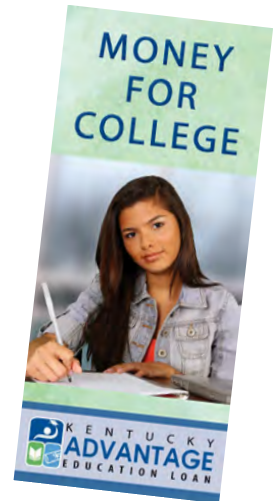
0.50% Interest rate reduction for auto debit

Repayment begins six months after the student leaves school or drops below half-time status.

• Low interest rates for these state-based student loans are FIXED and depend on the repayment plan the borrower chooses. Also, the fees associated with these loans are among the lowest in the nation.

• The loan decision is credit- and income-based. If the borrower has a limited credit history, questionable credit or no income, then we recommend a creditworthy cosigner.

• More information on our student and parent loans can be found [here](#).



How to access the loan application

kheslc.com – Go to either the student or parent section, then click on APPLY NOW, which displays the first step of the online application.

advantageeducationloan.com – This is the direct portal to the Advantage Education Loan site.

Call [KHESLC at 800.988.6333](tel:800.988.6333) – Borrowers may call to have an application sent via email.

Both student and parent Kentucky Advantage loans are owned and serviced by KHESLC. Loans are originated and disbursed by KHEAA.

KHEAA VERIFY STREAMLINES ACTIVITY

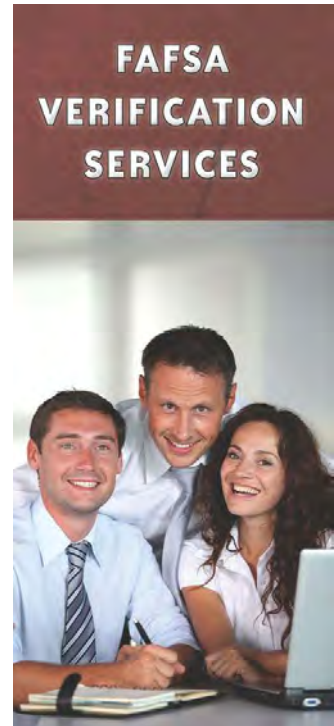
Let's face it – the verification process can be time consuming, frustrating, costly and, frankly, not much fun. KHEAA can help with all these issues.

When you sign up for KHEAA Verify, our specially trained and professional staff will conduct all the verification chores for you, so you can use your staff for other important tasks.

Our verification process is easy to use. You send us the file of the students needing to be verified, regardless of the level of verification required, and we do the rest.

KHEAA staff will contact the students on your behalf advising them of what is needed and how to supply the documentation. The students upload the data required via a secure student portal. We will follow up with the students if additional information is required. Once the verification is complete, we will submit the changes to CPS.

At any time during the process, you are able to monitor our progress via MyKHEAA (formerly Zip Access) which gives you full control over the process and ensures your student's verification needs are met.



To receive pricing details and more information on KHEAA Verify, please contact your KHEAA marketing representative.

888.678.4625 or marketing@kheaa.com

KENTUCKY eTRANSCRIPT INITIATIVE

Beginning this summer, Kentucky high school students can electronically send their transcripts and other documents to participating postsecondary members of the Parchment Exchange at no cost to themselves, their high school or the recipient. Fifteen high schools and three state universities provided input to develop the common Kentucky electronic transcript (eTranscript).

The majority of high school students submit college admissions and the Free Application for Federal Student Aid (FAFSA) online. The statewide adoption of electronic transcripts will complete the online and paperless delivery of all materials necessary for college admissions. This eTranscript solution has proven to reduce costs and save time in schools nationwide. High school students and counselors benefit by having a simplified request and delivery mechanism available 24-7. Colleges and universities benefit by having one transcript format to work from, less mail to process and the ability to integrate with the common application.

All Kentucky public high schools will participate to maximize the benefit of the eTranscript process. Without standard use by high schools, the benefit to postsecondary schools and students is diminished because Kentucky would have to continue to support multiple processes and formats.

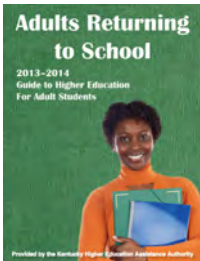
Kentucky e-Transcript is provided by the Kentucky Department of Education, KHEEA, and the Council on Postsecondary Education under a five-year contract with Infinite Campus and Parchment Inc.

If you have questions or comments, please contact DeDe Conner with the Office of Knowledge, Information and Data Services (KIDS) at dede.conner@education.ky.gov

This article was reprinted with permission from “Kentucky eTranscript Initiative Streamlines the College Admissions Process,” Kentucky Student Information System, *KSIS & More*, June 2013, volume 6, issue 6.

PUBLICATIONS

Most publications can be ordered from our website, although some are online only. The items below can be ordered [here](#).



The following brochures can be ordered [here](#):



LIMITED SUPPLY AVAILABLE!

Contact your KHEEA or KHESLC marketing representative or email Eleanor Kley at ekley@kheslc.com to order posters and calendars.



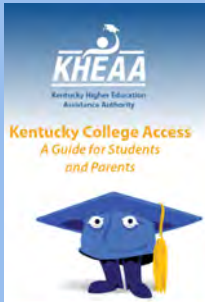
Pull a tab off the bottom of this poster for Kentucky Advantage Education Loan contact information.



2013-2014 large, school-year calendar for your office.

Download KHEAA's free Kentucky College Access mobile app.

- iPhone/iPad: (App Store>Search Store>KHEAA)
- Android: (Google Play store>KHEAA)



More ways for your students to get financial aid, scholarship and money tips!



“Like” us



Follow us

facebook.com/kheaa
facebook.com/kheslc

[@kheaa](https://www.twitter.com/kheaa)
[@kheslc](https://www.twitter.com/kheslc)

Mark Your Calendar

- July 4, 2013. KHEAA/KHESLC offices will be closed in observance of Independence Day
- September 2, 2013. KHEAA/KHESLC offices will be closed in observance of Labor Day
- October 9-11, 2013. KASFAA Spring 2013 Conference, Marriott, Hebron. Check [here](#) for details.