

# KHEAA Advisor

Simplifying the process.

Volume 5 Issue 2 Winter 2014



Switzer Covered Bridge, Frankfort, Kentucky  
(photo courtesy of [www.kentuckytourism.com](http://www.kentuckytourism.com))

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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](mailto:mgeraci@kheslc.com).



# 'TIS THE SEASON! 2014-2015 FAFSA FILING FRENZY

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Filing the Free Application for Federal Student Aid (FAFSA) early gives students a better chance at state grants. Kentucky students planning to attend an in-state college or university beginning in fall 2014 should file the 2014-2015 FAFSA as soon as possible after January 1.

**Some student aid programs have limited money and provide funds on a first-come, first-served basis to qualified students, so it is important to submit the FAFSA as soon as possible.** Students should submit the FAFSA even if they feel it is unlikely they will qualify for aid. For fastest results, KHEAA recommends that students submit the FAFSA online at [fafsa.ed.gov](http://fafsa.ed.gov).

To help students plan and prepare for higher education, refer them to [www.gotocollege.ky.gov](http://www.gotocollege.ky.gov). For more information about Kentucky scholarships and grants, visit the [Paying for College](#) section on [www.kheaa.com](http://www.kheaa.com) or email [grants@kheaa.com](mailto:grants@kheaa.com).

## File the FAFSA for possible CAP and KTG grants

A student attending a college or university in Kentucky may qualify for a College Access Program (CAP) Grant. To qualify, a student must show financial need and be enrolled at least halftime toward an associate's or bachelor's degree.

A student attending a Kentucky private college or university may qualify for a Kentucky Tuition Grant (KTG) in addition to a CAP Grant. To qualify for KTG, a student must show financial need and be enrolled full-time.

Funding for CAP and KTG is limited, with awards made on a first-come, first-served basis. Award amounts will be set in February.

## Need Help?

College Goal Kentucky takes place in January and February, providing free help in filling out the FAFSA. Attendees can enter for a chance to win a \$500 scholarship! Four scholarships will be awarded in spring 2014.

To check on locations, and for more information about College Goal Kentucky, go to [www.kasfaa.com/CollegeGoalKY](http://www.kasfaa.com/CollegeGoalKY) or call 1.888.4.KASFAA (1.888.452.7322).

# COLLEGE GOAL KENTUCKY

<b>WHY:</b>	The earlier you submit your FAFSA, the better your chances of being eligible for thousands of dollars in student aid. Students who file by mid-January have the best chance of receiving these funds.		
<b>WHEN:</b>	Sessions will be held on multiple dates in January and February.		
<b>WHAT TO BRING:</b>	Students should bring their parent or guardian with their completed 2013 federal tax forms. If tax forms have not been completed, then bring their 2012 federal tax forms and their last paycheck stub from 2013.		
<b>WHERE:</b>	<b>Date</b>	<b>Location</b>	<b>Time</b>
	1/2/2014	Washington County Public Library	5-7 p.m.
	1/3/2014	Morehead State University	2-4 p.m.
	1/4/2014	Kentucky Wesleyan College	2-5 p.m.
	1/6/2014	Louisville Urban League	6-8 p.m.
	1/6/2014	University of Pikeville	6-9 p.m.
	1/7/2014	Northern Kentucky University	6-8 p.m.
	1/7/2014	South Oldham High School	5:30-7:30 p.m.
	1/7/2014	Washington County High School	6:30-8 p.m.
	1/8/2014	Warren County Public Library	9 a.m.-noon, 2-6 p.m.
	1/9/2014	Shelby County High School	5:30-7:30 p.m.
	1/11/2014	Daymar College - Bowling Green Campus	9 a.m.-noon
	1/11/2014	Daymar College - Owensboro Campus	10 a.m.-1 p.m.
	1/11/2014	Daymar College - Paducah Campus	10 a.m.-1 p.m.
	1/11/2014	Madisonville Community College	9-11 a.m.
	1/11/2014	Owensboro Community and Technical College - Main Campus	9 a.m.-noon
	1/11/2014	Shawnee Library (Louisville)	1 -4 p.m.
	1/11/2014	Southwest Regional Library (Louisville)	10 a.m.-1 p.m.
	1/11/2014	Spalding University	10 a.m.-noon
	1/11/2014	Sullivan University - Lexington Campus	10 a.m.-1 p.m.
	1/11/2014	Sullivan University - Louisville Campus	10 a.m.-1 p.m.
	1/11/2014	Thomas More College	10 a.m.-2 p.m.
	1/11/2014	Transylvania University	10 a.m.-2 p.m.
	1/11/2014	University of Pikeville	10 a.m.-2 p.m.
	1/12/2014	Western Kentucky University	2-4 p.m.
	1/13/2014	Seneca High School (Jefferson County)	5-7 p.m.
	1/13/2014	University of Pikeville	6-9 p.m.
	1/15/2014	Doss High School (Jefferson County)	4:30-7 p.m.
	1/16/2014	Berea College	6:30-8 p.m.
	1/18/2014	Spencer County Public Library	10:30 a.m.-1 p.m.
	1/18/2014	Thomas More College	10 a.m.-2 p.m.
	1/23/2014	Murray State University	3-8 p.m.
	1/23/2014	Southern High School (Jefferson County)	5-7 p.m.
	1/24/2014	Warren County Public Library-Bob Kirby Branch	9 a.m.-noon, 2-4 p.m.
	1/25/2014	Elizabethtown Community and Technical College	2-4 p.m.
	1/25/2014	Thomas More College	10 a.m.-2 p.m.
	1/28/2014	Garrard County Public Library	2-6 p.m.
	2/3/2014	Somerset Community College-Laurel Campus	5-7 p.m.
	2/6/2014	Somerset Community College-Somerset Campus	5-7 p.m.

# PRIVATE LOAN TIPS

Many times your students need additional funding sources to help cover their unmet need. Private or alternative loans are a great option for these students and their families. But they need your guidance to help them select the loan that is right for them.

Many times a lender advertises their loans with “rates as low as...” or similar lines that only serve to confuse the potential borrower. More often than not, the advertised rate is not the interest rate the student or family member ends up with.

To determine an interest rate, the lender will do a credit check on the borrower and their cosigner, if they have one. The credit check reveals the borrower and cosigner’s FICO score as well as their debt to income ratio.

Since most consumers do not have a perfect credit score, they may not qualify for the rate that was advertised as “rates as low as...” So they complete the loan application thinking they are getting a low-rate loan, only to discover the rate they receive is much higher than expected.

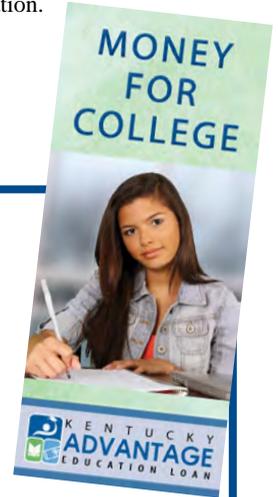
Here are some helpful tips to pass along to your students and their families:

- Apply with a financially sound cosigner.
- Choose a fixed interest rate loan over a variable interest rate loan.
- Determine if the loan has to be repaid while still in school or does the lender offer in-school deferments.
- Determine if the accrued interest must be repaid while still in school.
- Determine if the lender offers interest rate reductions during repayment.
- Determine if the lender offers death and disability benefits similar to the Federal Stafford Loans.
- Determine if the lender offers a parent loan.
- Determine how long the repayment grace period is, or if the loan even has a grace period. Determine if the lender offers forbearances or otherwise grants postponements should the borrower face challenges repaying.



# LOWER INTEREST RATES!

- 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](#).



## 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.

## How To Access The Loan Application

[kheslc.com](http://kheslc.com) – Go to either the student or parent section, then click on APPLY NOW.  
[advantageeducationloan.com](http://advantageeducationloan.com) – This is the direct portal to the Advantage Education Loan site.  
Call KHESLC at 1.800.988.6333 – 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

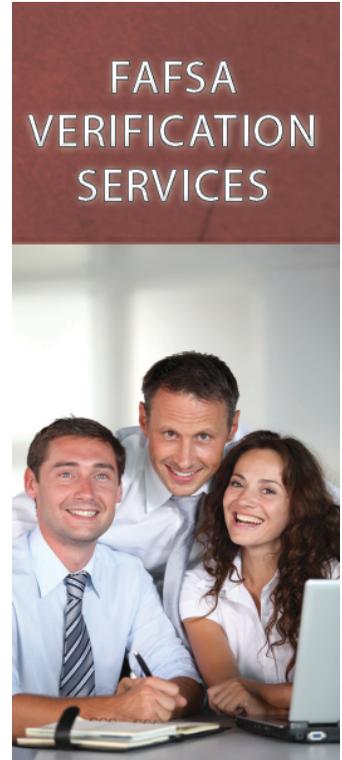
There's still time to get verification help for the spring semester: help for the time-consuming, frustrating, and costly process.

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 students' verification needs are met.



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

1.888.678.4625 or [marketing@kheaa.com](mailto:marketing@kheaa.com)



# LOWERING YOUR COHORT DEFAULT RATE



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/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 1.800.564.6068
- Email [cdms@kheaa.com](mailto:cdms@kheaa.com)

## JANUARY IS FINANCIAL AID AWARENESS MONTH

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Kentucky Governor Steve Beshear has proclaimed January 2014 as Financial Aid Awareness Month! January is an ideal month for financial aid awareness since high school seniors will be filling out their FAFSA's for the first time.

In keeping with the Financial Aid Awareness Month, KASFAA is holding its annual KET call-in show on January 27 at 9 p.m. KASFAA volunteers will be on hand to answer phone calls regarding education funding, deadlines, FAFSA preparation and many other topics. They will answer as many calls as possible on the show.

For more information on the KET call-in show, go to <http://www.kasfaa.com/news.html>.

## KENTUCKY RESIDENTS HAVE CHANCE TO WIN IPAD

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Kentucky residents have another chance to win a new iPad from KHEAA in a sweepstakes being held through Facebook. The sweepstakes runs from 12 a.m. on February 1 and ends at 12 a.m. on March 1. To enter, "Like" KHEAA on Facebook, then click on the orange icon and follow the directions. The winner will be notified via email.

[www.facebook.com/KHEAA](http://www.facebook.com/KHEAA)



## LOAN REPAYMENT OPTIONS

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Student loan repayment plans can be confusing. If you want to provide your students with information to help them get started on the right foot, we can help. Our trained staff can conduct presentations to your graduating students on the different repayment options available.

If you would like someone to present information on repayment plans, loan forgiveness and strategies to help your students, call us at 1.888.678.4625 to arrange a speaker for your group.

(These presentations do not replace the federal exit counseling requirements.)

# DAVID SCOTT JOINS KHEAA AS OUTREACH COUNSELOR

David Scott of Morehead has joined KHEAA as an outreach counselor. He will travel the state with KHEAA's College Info Road Show.

The Road Show is a mobile classroom equipped with wireless internet access. Scott will visit schools, adult education centers and other sites to help Kentuckians learn about their higher education options.

"I am very excited about joining KHEAA's efforts to help the citizens of Kentucky maximize the resources available to them in achieving their personal and educational goals," he said.

Scott, a native of Olive Hill, brings a varied background to his new position. He worked with young people as an employee of the Kentucky Department of Juvenile Justice and as a special education teacher. He has also driven a tractor-trailer, which will serve him well as the Road Show counselor.

"David brings a unique set of skills to the position that will enable him to effectively engage students and families and to take responsibility for the operation and maintenance of our mobile unit," KHEAA Director of Outreach Services Susan Hopkins said. "He is passionate about helping youth and will be a great addition to the KHEAA outreach staff."



*David Scott, new KHEAA Outreach counselor working with the College Info Road Show*



# JOHN R. JUSTICE GRANT PROGRAM

Did you know that prosecutors and public defenders in Kentucky may qualify for student loan forgiveness through the John R. Justice Repayment Program?

Eligible attorneys include prosecutors and public defenders who are full-time employees of the Commonwealth or a local government within Kentucky. Attorneys who supervise, educate or train prosecutors and public defenders are also eligible. The application form goes into more detail on definitions and eligibility.



Funds are provided by the U.S. Department of Justice to disburse 48 awards for the 2013-2014 award year. Three prosecutors and three public defenders will be selected from each of the Commonwealth's seven Supreme Court districts, and an additional three prosecutors and three public defenders will be selected from applicants with statewide responsibilities. Continuation of the John R. Justice Repayment Program beyond 2014 is contingent upon the availability of federal funds.

KHEAA administers the John R. Justice Repayment Program for Kentucky residents. Selection criteria include the applicant's annual salary, amount of student loan debt, and loan-to-income ratio. Awardees must sign a three-year service agreement as public defenders and prosecutors before funds will be sent to their lender. The maximum award is \$1,120. Prior-year recipients must reapply each year, but do not have to sign another service agreement if selected.

Applications must be postmarked by February 7, 2014.



For complete information or to apply, visit [kheaa.com](http://kheaa.com) and click on the John R. Justice Loan Repayment link in the left column, or click [here](#).

# TAX TIPS FOR STUDENTS

Income tax season is approaching, and students may want to consider these tips from KHEAA to help the process go more smoothly.

Although they may not have earned enough to be required to file, students may get a refund if their employer withheld taxes from their pay. Before filing income taxes, students should discuss the tax situation with their parents. Depending on the parents' contribution to the student's upkeep during the year, the parents may be able to claim the student as a dependent on their own tax returns, which could save them thousands of dollars.

Students and parents may be able to take advantage of these programs on their federal taxes:

- American Opportunity Credit, available for the first four years of college.
- Lifetime Learning Credit, available if a taxpayer or a dependent is taking college courses to acquire or improve job skills.
- Tuition and fees deduction, which lets taxpayers deduct qualified education expenses paid during the year for themselves or a dependent. The expenses must be for college.
- Student loan interest deduction, which lets people deduct up to \$2,500 per year on federal taxes for interest paid on federal student loans.

For more detailed information about federal programs, go to [www.irs.gov](http://www.irs.gov) to get the free Publication 970 Tax Benefits for Education.

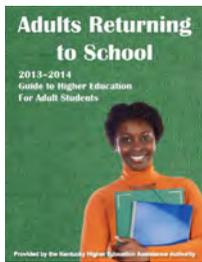
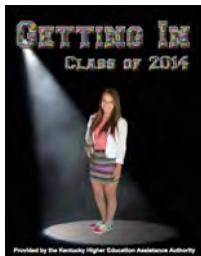
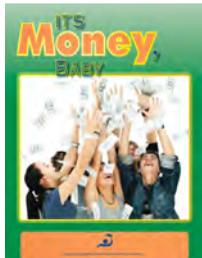
Kentucky also offers a tuition tax credit for undergraduate students who attend state colleges.

Remember that tax rules may change from year to year, so make sure you have the most up-to-date information.



# UPDATED PUBLICATIONS

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



## LIMITED SUPPLY AVAILABLE!

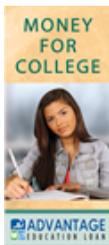
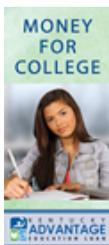
Contact your KHEAA or KHESLC marketing representative or email Eleanor Kley at [ekley@khea.com](mailto:ekley@khea.com) to order posters and calendars.



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



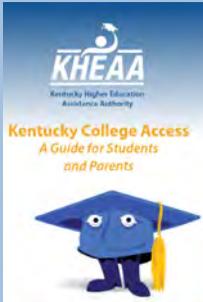
The following brochures can be ordered [here](#):



2013-2014 large, school-year calendars

## 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



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[facebook.com/kheslc](https://facebook.com/kheslc)

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

## Mark Your Calendar

- College Goal Kentucky will be hosted at over 25 sites throughout Kentucky in early 2014. For the date and location of the site nearest you, visit [KASFAA's site](#).
- January 20, 2014. KHEAA/KHESLC offices will be closed in observance of Martin Luther King, Jr. Day.
- January 27, 2014, KASFAA is holding its annual KET call-in show at 9 p.m.
- February 16-19, 2014. SASFAA Conference, Jacksonville. Check [here](#) for updates.
- April 14-16, 2014. KASFAA Spring Conference, Louisville Marriott Downtown. Updates posted [here](#).
- April 18, 2014. KHEAA/KHESLC offices will be closed a half-day in observance of Good Friday.

Cover photo: Switzer Covered Bridge

Located east of Frankfort and west of Stamping Ground, the Switzer Covered Bridge is one of Kentucky's few remaining covered bridges. The bridge is listed on the National Register of Historic Places and is known as the Official Covered Bridge of Kentucky.



Built in 1855, the bridge was totally restored after flood waters destroyed it in 1997. A park by the bridge offers a peaceful place to picnic and admire the scenery of Elkhorn Creek. More information can be found at [www.kentuckytourism.com](http://www.kentuckytourism.com).