

KHEAA Advisor

Simplifying the process.

Volume 6 Issue 4 Summer 2015



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Frankfort, KY
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800.928.8926
kheaa.com



ADVANTAGE LOAN PROGRAM

Regardless of where the student lives or goes to school, there are **NO FEES** on the Advantage Education Loan Immediate Repayment options. The fixed interest rates are still as low as 4.95% and do not exceed 7.59%.



ORDER PUBLICATIONS

- Advantage Loan brochures and flyers
- Comparison chart flyers:
 - Advantage Loans vs. federal loans
 - Advantage Loans vs. other private loans

Contact your marketing representative at 1.888.678.4625 or order online at marketing@kheaa.com

Help your students get started.

- advantageeducationloan.com
To apply for an Advantage Education Loan.
- **Great Lakes Fast Choice**
Advantage Education Loans are listed on this site. In addition, loans are certified through Great Lakes' ScholarNet program and disbursed through Great Lakes' Central Disbursement Service.
- **ELM Select**
Advantage Education Loans are listed on this site.
- **Call KHESLC** at 1.800.988.6333
For more information or to request an application be sent via email.

If you use Fast Choice or ELM Select and the Advantage Loan product does not display on your list, please contact Meredith Geraci at mgeraci@kheaa.com or 1.502.329.7100.

HIGHLIGHT: YOUR MARKETING REPS



Meredith Geraci, Director of Marketing and Communications

Meredith Geraci has been with KHEAA and KHESLC 17 years. For most of that time, she was a marketing representative and still serves as a part-time representative for both agencies. Meredith is active in KASFAA, SASFAA, NASFAA and is an associate member of several other state associations.

In her role as director of marketing and communications, she is responsible for marketing campaigns and cultivating new business.

Meredith is a graduate of Missouri State University in Springfield, Missouri. She is married, with one son in college and three stepsons who have already graduated college.

She can be contacted at mgeraci@kheaa.com or 1.502.329.7100.

STUDENT AID DISBURSEMENTS

At the end of the 2015 fiscal year, KHEAA's Student Aid Branch had disbursed \$209.1 million, or 96%, of the \$218.4 million in available funds.

Program	Expenditures
KENTUCKY EDUCATIONAL EXCELLENCE SCHOLARSHIP (KEES)	\$107.9 MILLION
COLLEGE ACCESS PROGRAM GRANT (CAP)	\$60.8 MILLION
KENTUCKY TUITION GRANT (KTG)	\$28.4 MILLION
NATIONAL GUARD TUITION AWARD	\$5.5 MILLION
KY COAL COUNTY COLLEGE COMPLETION SCHOLARSHIP	\$1.8 MILLION
TEACHER SCHOLARSHIP (TO BEST IN CLASS REPAYMENT)	\$1.4 MILLION
EARLY CHILDHOOD DEVELOPMENT SCHOLARSHIP	\$842,800
OSTEOPATHIC MEDICINE SCHOLARSHIP	\$632,600
COAL COUNTY PHARMACY SCHOLARSHIP	\$483,700
MARY JO YOUNG SCHOLARSHIP	\$482,900
TEACHER SCHOLARSHIP (TO RENEWAL RECIPIENTS)	\$434,300
KHEAA WORK-STUDY PROGRAM	\$312,500
GO HIGHER GRANT	\$161,900



A 529 Plan Can Help Families Ensure a Brighter Future for Children

Fall will soon be here and for many families, it's a reminder of just how quickly children grow up and head off to college. Fortunately, parents can start preparing for higher education expenses well before their children leave for school. We encourage participation in Kentucky's 529 college savings plan, the Kentucky Education Savings Plan Trust (KESPT).

The General Assembly created the Trust more than 25 years ago to help families plan for future college expenses. Since that time, the Plan has helped nearly 4,000 students achieve their dreams of going to college, with more than \$63 million used to fund higher education expenses. Today, KESPT serves 6,700 Kentucky families.

That's a small percentage, however, of parents who are working hard across the Commonwealth to secure a bright future for their children. That's why we are in support of additional college savings incentives, such as a state income tax deduction for contributions into KESPT.

Families who set aside money for college find that it's far less expensive to save than it is to borrow. And those benefits extend beyond the home. Imagine the long-term economic impact of having more college graduates with greater earning potential and fewer families struggling to pay back debt and interest fees.

Unfortunately, students across the country are graduating with increasing student loan debt every year. According to a report released by the Federal Reserve Bank of New York last year, student loan debt surpassed credit card debt in 2010 to become the second largest form of household debt after mortgages. The average debt per borrower and the number of borrowers both increased by 70 percent from 2004 to 2012, to \$25,000 and 39 million, respectively.

One possible reason for the increased dependence on student loans and the relatively low participation in 529 plans is a lack of awareness. The Kentucky College Savings Report, administered by ORC International and sponsored by KESPT in 2013, found that while 82 percent of Kentucky parents consider saving for college a priority, only two-thirds are familiar with 529 plans.

There is also a misconception that college savings plans are just for the wealthy. Yet a 2014 survey conducted for the College Savings Foundation found that working families are the main users of 529 plans, with 57 percent of those families having household incomes below \$100,000.

DIRECTOR'S CORNER, CONTINUED



From left, Dr. Carl Rollins; David Lawhorn, the KESPT program administrator; First Lady Jane Beshear; Kimberly Miller, past KESPT contest winner; and State Treasurer Todd Hollenbach.

Families can open a KESPT account with as little as \$25. If an employer allows payroll deduction, the minimum contribution drops to just \$15 per pay period.

Besides offering an affordable way to save for college, 529 plans offer flexibility since funds can be used for more than just tuition. For example, a 529 plan can pay for any required cost of attendance such as books, computers, and certain room and board expenses. Plus, a 529 plan, such as KESPT, can be used nationwide at not only four-year colleges but also accredited two-year colleges, technical schools and graduate schools.

Whether you are a new parent opening a 529 plan account for an infant or a grandparent helping grandkids with regular contributions, planning for college at any age makes good financial sense. Earnings in a 529 plan are free from federal and state income tax when withdrawals are used for qualified education expenses. So the earlier a family starts saving, the more time the money has to grow tax-free.

KESPT savings are not included in determining the amount of Kentucky need-based aid that a beneficiary will receive.

As a former Kentucky state representative, House Education Committee chair and current executive director of the Kentucky Higher Education Assistance Authority, I am committed to fostering a college-going culture in Kentucky. If we are going to improve access to higher education for students, we must help families prepare for the financial obligations.

I encourage you to consider the benefits of a KESPT college savings account today. For more information, please visit kysaves.com or call 1.877.598.7878.

Carl P. Rollins

TIPS FOR STUDENTS — MONEY MANAGEMENT

Students need to know how to manage money and to make it grow. Knowing what to do with their money helps them manage their income and expenses throughout life. Pass these helpful tips along to your students.

- Every time you consider buying something, whether it's a soda or song download, ask yourself, "Do I really need this?" If the answer is no, don't buy it.
- Don't get in over your head with buying clothes, eating out or living a lifestyle you can't pay for.
- Buy smart by being a good consumer and researching your options.
- Avoid buying something on impulse, especially a high dollar item.
- Comparison shop — you might find bargains elsewhere.
- Always have a budget, monitor your bank account carefully and check your credit reports once a year for accuracy and possible identity theft.
- Buy used textbooks and sell your unwanted books back at the end of each semester.
- Use your student loans wisely – for school expenses only (spring break trips to Daytona are not school expenses).
- Finish your degree and get a job in the field you want.

Customized email messages and videos on Freshman Year 101, Academics, Campus Life, and Financial Literacy/Money Management can be sent directly to students at critical times during their college career, when your school is signed up for Student Transition Services, a component of KHEAA's Cohort Default Management Services. More information on this service is on [page 11](#).

Contact a marketing representative for more information.

- Call 1.888.678.4625
- Email marketing@kheaa.com



THE EXPERIENCE OF LISTENING

Parts of two chapters of *Getting In*, the state's college planning guide, are now available in audio on KHEAA's website.

The audio versions include Chapter One and the first part of Chapter Two. Chapter One is a guide to the college admissions process, while the first part of Chapter Two helps students and parents navigate the financial aid application process.

KHEAA had the sections professionally recorded to provide important college planning information to students who may benefit from a narrated version of *Getting In*.

To access the audio version, go to kheaa.com and click on the "Other Resources" tab. Then click on "Publications" and "Getting In: Class of 2016" under the Kentucky heading. Or click [here](#) for a shortcut.



It's never too early to start planning for college.

IPAD WINNER FROM RICHMOND

Congratulations to Kaitlyn Colliver of Richmond! Kaitlyn was the winner of our May iPad giveaway. KHEAA Outreach Counselor Keith Ritchie presented Kaitlyn with her new iPad at the Madison County Public Library.

The contest was open to Kentucky residents who "liked" the KHEAA Facebook page, online at www.facebook.com/KHEAA and answered a question about college.

KHEAA plans to hold another iPad giveaway in August.



Keith Ritchie, left, and Kaitlyn Colliver

FSA NEWS AND UPDATES

New Direct Loan Interest Rates

Direct Loan interest rates for loans first disbursed on or after July 1, 2015, and prior to July 1, 2016:

Subsidized and unsubsidized undergraduate loan interest rate — 4.29%

Unsubsidized graduate loan interest rate — 5.84%

PLUS loan (graduate and parent) interest rate — 6.84%

Perkins Wind-Down information Q&A ([EA 060515](#)):

Questions and answers about the Federal Perkins Loan Program is available from the “Hot Topics” area of the IFAP website as well as on the Campus-Based Processing Information Page.

[PDF version](#)

TEACH Grant Closeout Information:

The Teacher Education Assistance for College and Higher Education (TEACH) Grant, closeout deadline for the 2014–2015 Award Year is Wednesday, September 30, 2015. This is the last processing day of the award year. All school data must be received and accepted by this date to be included in a school’s final Ending Cash Balance for the year. After the closeout deadline, schools will be billed for remaining balances owed to the Department of Education.

[Details](#)

New Ability-to-Benefit (ATB) Requirements

One of the changes made by the Consolidated and Further Continuing Appropriations Act of 2015 was to allow a student who does not have a high school diploma (or its recognized equivalent), or who did not complete a secondary school education in a homeschool setting, but who is enrolled in an eligible career pathway program, to be eligible for Title IV aid through ATB alternatives.

[GEN 1509](#)

[EA 070915](#)

[Gainful Employment Programs](#)

[Citizenship and Immigration Status Documentation](#)

[Direct Loan Entrance Counseling Requirements](#)



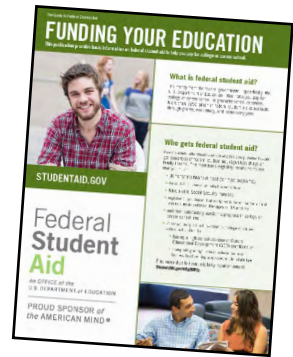
FSA PUBLICATIONS

Plan for the fall by ordering the newest version of *Funding Your Education: The Guide to Federal Student Aid*.

This publication, which helps students understand the financial aid process, is a condensed version of earlier editions. A PDF version of this publication is available at StudentAid.gov/funding.

A few points to remember:

- You can order this and other publications at FSAPubs.gov
- Students and parents can order publications at EDPubs.gov
- Detailed information on federal student aid for students and parents is available at StudentAid.gov.
- Find Federal Student Aid resources for counselors, mentors, and librarians at FinancialAidToolkit.ed.gov.



FSA ID NOW IN USE

In May 2015, the U.S. Department of Education's Office of Federal Student Aid (FSA) implemented a new log-in process for student and borrower websites.

The new FSA ID, which requires a user-selected username and password, has replaced the prior four-digit PIN. Students, parents and borrowers will authenticate their identity to access their federal student aid information. Setting up the new ID takes less than 10 minutes.

As a reminder, this change does not impact the FSA User ID login process that is currently in place for financial aid professionals.

For more information, check out the recent [Q&A section](#).

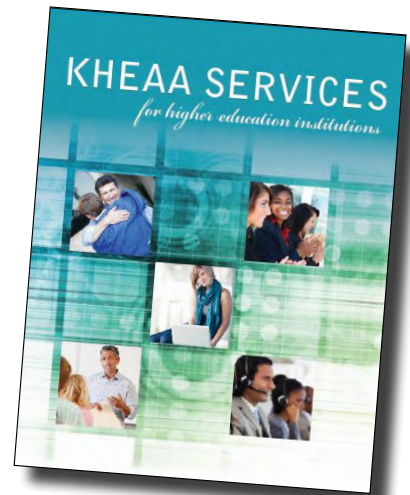
KHEAA VERIFY

FAFSA Verifications got you down? Contact us, we can help!
We take the extra steps to put your students' needs first.

KHEAA will handle your verifications, allowing your staff to focus on other pressing matters in the office. And best of all, you can award your students' financial aid promptly.

Benefits of using KHEAA Verify

- Personalized service
- Lower administration costs
- Electronic process
- Verification conducted by experienced staff
- Compliance with federal regulations
- Inexpensive and easy to use



Our verification process is easy to use.

- ⇒ You send us student files needing to be verified.
- ⇒ KHEAA staff contacts the students on your behalf.
- ⇒ Students upload data using a secure student portal.
- ⇒ We follow up with students who need to submit additional information.
- ⇒ Once verification is complete, we submit changes to CPS.

At any time during the process, you can monitor our progress via MyKHEAA, a secure website, which gives you full control over the process and ensures your students' verification needs are met.

High Praise

Since we started using KHEAA Verify to conduct our FAFSA verification duties, staff has had more time to focus on other pressing matters and our students are being awarded aid in a more timely manner than ever before.

- Lori Mitchum, Financial Aid Director, Murray State University

Imagine what we can do for you!

LOWERING YOUR CDR

KHEAA can help you lower your CDR and get your student borrowers back on track.

If you don't have KHEAA's Cohort Default Management Services yet, call for a presentation. We offer three types of services from which to choose. Pick one, two or all three to get the best fit for your school.

- **Student Transition Service** provides customized email messages and videos geared to students at critical times during their college career.
- **Early Intervention** reaches out to your students who will soon enter repayment through graduating, withdrawing or dropping below half-time status.
- **Default Prevention** contacts all borrowers in your cohort. These borrowers are counseled on their repayment, deferment and forbearance options. Special attention is given to borrowers who are reported late on payments. KHEAA continues to work with the borrower even after they have defaulted.

Great Results

KHEAA has a strong history of resolving delinquencies within its own portfolio and for institutions having Cohort Default Management Services' contracts.

Since providing Cohort Default Management Services, KHEAA has been successful in resolving 60.42% of delinquencies for two-year community and technical institutions and 73.86% for four-year public and private institutions, with an overall resolution rate for all institution types of 62.05%.

Since using KHEAA's Cohort Default Management Services, we have seen an increase in our resolution rate, a decrease in our delinquency rate! We are especially happy with how 2013 is closing and how 2014 is progressing.

- Ryan Dulude, Assistant Director of Financial Aid,
Community College of Vermont

**Learn how our KHEAA
Verification and Cohort Default
Management Services can help
you and your students:**

- Call 1.888.678.4625
- Email marketing@kheaa.com

OUTREACH COUNSELOR CHANGES

Summer Gortney has been named the advisor to the Kentucky College Coaches Program by KHEAA, which sponsors coaches in 30 Kentucky high schools. Summer most recently was the regional outreach counselor for Central Kentucky. She can be reached at sgortney@kheaa.com or 1.859.229.0352.



David Scott has been named the outreach counselor for Central Kentucky. He will work in Bourbon, Fayette, Franklin, Harrison, Jessamine, Scott, and Woodford counties. David was recently the counselor on KHEAA's College Info Road Show, a mobile classroom equipped with wireless internet access. He can be reached at dscott@kheaa.com or 1.859.229.0352.



**Know anyone in your office who would like
to subscribe to KHEAAPartners?**

KHEAAPartners is an electronic mailing list designed to communicate important messages and information with our industry partners.

[Sign up here](#)

KET PARTNERS WITH MOREHEAD STATE UNIVERSITY

KET now partners with Morehead State University to offer dual credit options for several distance learning courses through Morehead State's Early College program. This program offers high school students the opportunity to earn three hours of college credit upon the successful completion of their course.

KET currently offers a dual credit option for *Arts in Culture*. Beginning this fall, *German I and II* and *Latin I and II* will also be offered for distance learning.

Check out these websites for more information:

[KET Distance Learning](#)

[Morehead State Early College Program](#)

SPOTLIGHT ON KENTUCKY: COUNTIES

Kentucky has 120 counties; only Texas and Georgia have more.

Pike County — largest county by area.

Gallatin County — smallest by area.

Fayette, Jefferson and Lincoln counties — the first three counties in Kentucky.

Fleming County — the Covered Bridge Capital of Kentucky.

Shelby County — the Saddlebred Capital of Kentucky.

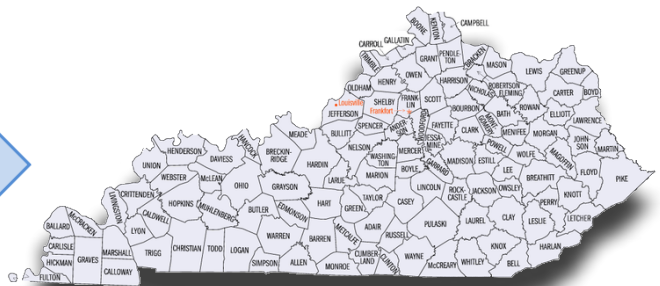
Nelson County — named after Gen. Thomas Nelson Jr., signer of the Declaration of Independence.

Fulton County — named after Robert Fulton, the inventor of the steamboat.

Beckham County — formed from Carter, Lewis and Elliott counties. It was dissolved by the state in 1904 since it wasn't formed in accordance with the state constitution.

How quickly can you name
all the Kentucky counties?

Click on the map



<http://www.kentuckytourism.com/>

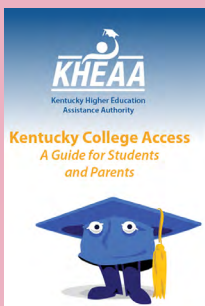
<http://www.raogk.org/kentucky-genealogy/ky-counties/>

https://en.wikipedia.org/wiki/List_of_counties_in_Kentucky

STAY CONNECTED

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!

www.twitter.com

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

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

facebook.com/kheaa

facebook.com/kheslc

Mark Your Calendar

- Aug 20–30 Kentucky State Fair, Louisville. We'll be there! [Details](#).
- Sept 7 KHEAA and KHESLC offices will be closed for Labor Day.
- Sept 28–29 Kentucky 2015 Governor's Conference on Postsecondary Education Trusteeship, Lexington. [Info](#).
- Oct 2015 [National Cyber Security Awareness Month](#).
- 2015 conferences:

Sept 1	KHEAA Board of Directors Meeting	Frankfort, Ky.
Oct 4–7	Midwest MASFAA Annual Conference	Coralville, Iowa
Oct 13–16	KASFAA Fall Conference	Erlanger, Ky.
Oct 15	KHEAA Board of Directors Meeting	Frankfort, Ky.
Oct 16	AASFAA Fall Workshop	Montgomery, Ala.
Nov 1–4	NCASFAA Fall Conference	Winston-Salem, N.C.
Nov 9–10	OASFAA Fall Conference	Columbus, Ohio
Nov 9–11	Missouri MASFAP Fall Conference	Lake Ozark, Mo.
Dec 1–4	FSA Training Conference	Las Vegas, Nev.
Dec 8	KHEAA Board of Directors Meeting	Frankfort, Ky.
- [Fall Festivals](#) throughout Kentucky.

The Quarterly Quote

The biggest challenge after success is shutting up about it.

- Criss Jami

YOUR OPINION MATTERS

Do you have a subject you would like to see addressed in the KHEAA Advisor? If so, please send it to Eleanor Kley at ekley@kheaa.com



KHEAA.COM

Students of all ages will find the information they need to

Plan

Prepare

Pay

for higher education at

KHEAA.COM

KHEAA's website will help you navigate career exploration, college preparation and financial aid processes. Check out the functions and features at our new, improved website.

Follow us on:



KHEAA is an EEO Employer.

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