

KHEAA Advisor

Simplifying the process.

Volume 8 Issue 4 Summer 2017



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Advantage Refinance Loans

Advantage Refinance Loans are available for borrowers who want to refinance or consolidate their student loans using our FIXED interest rates.

Borrowers can roll their federal and private student loans into one convenient loan, save on interest charges and get out of debt faster.

The Advantage Refinance Loan offers:

- NO FEES
- FIXED interest rates starting at 3.49% using auto pay
- No prepayment penalty
- Flexible loan terms of 10, 15, 20 or 25 years
- Cosigner release
- Death and disability benefit
- One convenient monthly payment

Eligible Loans

Any school-certified education loans:

- Private education loans
- Parent/Grad PLUS Loans (FFEL/ Direct)
- Federal Loans (FFEL/ Direct)
- Perkins Loans
- School-certified Scholarship Conversion Loans

Borrowers may refinance/consolidate their education loans and any parent loans for which they are the benefitting student. Parents may refinance/consolidate their own student loans and any parent loans they have taken out for their children.



Contact your marketing representative

888.678.4625

marketing@kheaa.com

- Help your students get started
- Add Advantage Education Loan information to Great Lakes Fast Choice and ELM Select – turn to page 4 for details
- Order personalized brochure stands, flyers and comparison charts for your school
- Get info on all KHEAA/KHESLC products

We reserve the right to modify or discontinue loan features or benefits or to discontinue loan programs at any time without notice for Advantage Refinance Loans and Advantage Education Loans.

Advantage Education Loans — for Students and Parents

The application process is online, fast and easy! Remember, there are... **NO FEES** on any Advantage Education Loan.

FIXED interest rates — as low as 3.95% using auto pay

Immediate Repayment — Principal Plus Interest

- 4.45% to 7.09% FIXED interest rate
- 0.5% Interest rate reduction for using auto pay
- No fees
- Student status can be less than half-time enrollment
- Repayment begins as soon as the loan is fully disbursed

Immediate Repayment — Interest Only

- 5.09% to 7.09% FIXED interest rate
- 0.5% Interest rate reduction for using auto pay
- No fees
- Student must have at least a half-time enrollment status
- 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

- 5.99% to 7.59% FIXED interest rate
- 0.5% Interest rate reduction for using auto pay
- No fees
- Student must have at least a half-time enrollment status
- Repayment begins six months after the student leaves school or drops below half-time status



Once a loan is disbursed, the repayment plan selected during the application process cannot be changed. A graduated repayment options is available.

The FIXED interest rate is based on the repayment plan selected, the borrower's credit history and other factors. Applying with a creditworthy cosigner may help a borrower qualify and/or receive a lower FIXED rate.

We recommend students maximize scholarships, grants and federal loans before applying for a private loan.

Changes to our FAST Choice and ELM displays

We have changed the way the Advantage Education Loans are listed in FAST Choice and ELM.

If you use FAST Choice or ELM, you will need to go to each site and reselect us since we streamlined our options.

In 2016, six choices were listed:

- Advantage Education Loan, Immediate Repayment Principal Plus Interest
- Advantage Education Loan, Immediate Repayment Interest Only
- Advantage Education Loan, Postponed Repayment
- Advantage Parent Loan, Immediate Repayment Principal Plus Interest
- Advantage Parent Loan, Immediate Repayment Interest Only
- Advantage Parent Loan, Postponed Repayment

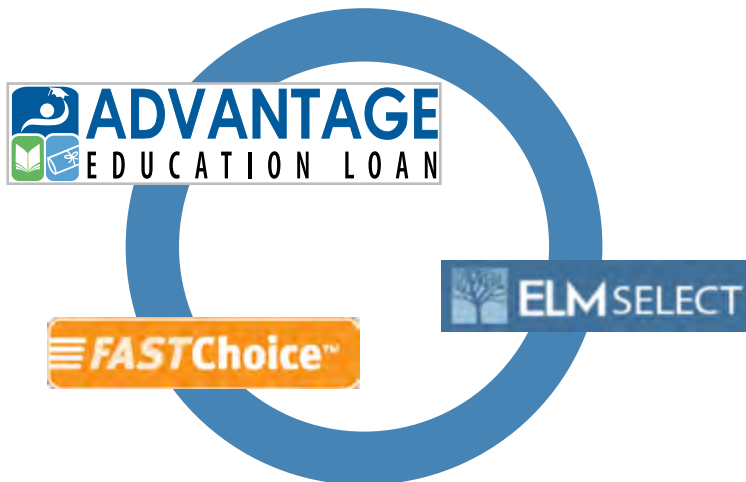
Currently, two choices are listed:

- Advantage Education Loan — interest rates range from 3.95% to 7.59%
- Advantage Parent Loan — interest rates range from 3.95% to 7.59%

The three repayment terms are listed within each of the two options.

With these updates, instead of trying to decide between six Advantage Loan options, you can now choose either the student or parent option, then continue with the repayment information.

Need help? Contact your marketing representative at 888.678.4625 or marketing@kheaa.com



IRS Data Retrieval Tool

Per the Department of Education (ED) extra security protections now allow borrowers to automatically transfer tax return information into federal repayment applications, especially income-driven repayment plans. New encryption protections have been added to protect taxpayer information. The IRS Data Retrieval Tool (DRT) will return Oct. 1, 2017, on the online 2018–19 FAFSA form.

On StudentLoans.gov, borrowers can apply to repay their eligible Direct Loans and/or their FFEL Loans under one of the four “income-driven” repayment plans—Revised Pay As You Earn (REPAYE), Pay As You Earn (PAYE), Income-Based Repayment (IBR), and Income-Contingent Repayment (ICR)—for which they qualify.

Borrowers can use the DRT to transfer accurate tax return information into their income-driven repayment plan application, while the data remains protected. As an added protection, the IRS automatically will notify taxpayers by mail when their tax return information is accessed using the DRT.

The IRS suspended use of the DRT in March 2017 due to privacy and security concerns. Now, the tax return information to be transferred will be encrypted and hidden from view on the DRT web page and on the online income-driven repayment plan applications.

Quick Takes Training Videos

Basics of Academic Calendars 8:56 minutes

<http://fsatraining.info/course/view.php?id=171§ion=17>

Overpayments 9:00 minutes

<http://fsatraining.info/course/view.php?id=171§ion=16>

To view the training videos, [log in](#), then on the main menu select Training by Topics > Quick Takes Videos, or click the banner on the home page.

Cohort Default Management Service

Surprised at the draft CDR you have?

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

Services Offered

- Default Prevention — We contact 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 borrowers even after they have defaulted.
- Early Intervention — We reach out to your students who will soon enter repayment through graduating, withdrawing or dropping below half-time status, to promote successful repayment while still in their grace period.
- Student Transition Service — We provide customized email messages and videos for you to send to your students at critical times during their college career. Messages are divided into categories such as Freshman 101, Academics, Financial Literacy, and Money Management.

Great Results

KHEAA has a strong history of resolving delinquencies for institutions.

If you need help managing your CDR, contact us for a presentation.

- Email marketing@kheaa.com

***Thank you for all the hard work you all do for us.
I don't know what we would do without you!***

— Sandy S. Power, Director of Financial Aid
Maysville Community and Technical College

KHEAA Verify — FAFSA Verification Services



KHEAA Verify is a full-service online FAFSA verification service that follows your school’s verification policies and procedures. Notifications, verification worksheets and reports are customized for your school.

As a full-service provider, we don’t subcontract any portion of the verification process. **Contact us — we can help!**

The right reasons to outsource

- Cost
- Quality
- Consistency
- Compliance with federal regulations
- Simplicity for families and your school
- Enhanced customer service

Benefits of using KHEAA Verify

Lower administration costs

- Reduced workload
- Increased efficiency and productivity
- Inexpensive

Electronic process

- Quick completion
- Online archival of verification forms and processes
- Easy to use
- Fully compliant with federal regulations

Personalized service

- Student self-help options available 24/7
- Individualized customer service support
- Experienced staff: highly trained, educated professionals

Using KHEAA for all our verification processing at BSC allowed us to free up personnel in our office to better focus on other areas that needed our attention.

The improvements in processing were wonderful. Our office became more efficient and focused, and provided improved service to our customers.

When I transitioned to VMI, I again sought the verification services that KHEAA provides. I look forward to working with KHEAA in the future.

— Brian Quisenberry, Financial Aid Director,
Virginia Military Institute (formerly with
Birmingham-Southern College)

Learn how KHEAA Verify can help you and your students:

- Email marketing@kheaa.com

Education Finance Council recommendations

EFC Encourages Families to Consider Low-Cost Nonprofit and State-Based Education Loan Options

Since the federal student loan interest rates increased on July 1, Education Finance Council (EFC), the national trade association representing nonprofit and state-based student loan organizations, sent out a press release to urge families to carefully compare all their higher education financing options. Specifically, if families were looking to get a Parent PLUS Loan, EFC suggests that they also consider the lower-cost products available through nonprofit and state-based organizations, who offer consumer-friendly loans at lower rates than the PLUS Loan. (See our Advantage Parent Loan information on page 3.)



The interest rate on the most expensive federal loan, the Parent PLUS Loan, increased to 7%, up from the past rate of 6.31%. The PLUS Loan also has a 4.276% origination fee. (Advantage Loans have no fees.) These numbers fail to represent the true cost of these loans, since the federal government doesn't supply borrowers with an Annual Percentage Rate (APR), which factors in both interest rate and loan fees to give a truer representation of the cost. Based on standard APR calculations though, EFC has been able to estimate the APR for the Federal Parent PLUS Loan which range from 7.09% to 7.99%, depending on whether payment begins immediately, interest-only payments are made while the student is still in school, or payments are deferred until the student leaves school.

EFC recommends that with these increases, families research all their options and know that the PLUS Loan may not be the best option for them. Most, if not all, nonprofit and state-based lenders offer a loan with a lower interest rate than the PLUS Loan, with low or no origination fees. The majority of these loan programs require a credit-worthy borrower or co-signer, resulting in very low default rates (often less than one percent). Many of these programs also include borrower benefits, such as flexible repayment options, interest rate reduction options, no prepayment penalties, and benefits for graduates that work in a critical field in the organization's state.

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Publications

KHEEA and KHESLC provide a wide variety of publications to help you and your students.

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



The following brochures and flyers can be ordered [here](#).



Contact your KHEEA or KHESLC marketing representative or email Eleanor Kley at ekley@kheea.com to order these for your office.



- Overview of KHEEA Services
- KHEEA Verify - FAFSA Verification Service
- Cohort Default Management Service
- Advantage Education Loans
- Advantage Refinance Loans



2017–2018 Academic year wall calendar (17.5" x 24")

Stay Connected

Get financial aid,
scholarship and money tips
for you and your students!



Like us!

Follow us!

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

facebook.com/kheaa
facebook.com/kheslc

The Quarterly Quote

Pick a major that interests you, but allow it and external experiences to help shape, not dictate, your mission in life.

— Jeffrey J. Selingo, The Washington Post, [1/28/17 article](#)

Your Opinion Matters

Do you have a subject you would like to see addressed in the KHEAA Advisor? Someone you would like to see in the School Highlight? If so, please send your suggestions to Meredith Geraci at mgeraci@kheaa.com.

Mark Your Calendar

May 25	KHEAA/KHESLC/KAPT Board Meeting , Somerset, Ky. (tentative)
May 29	KHEAA/KHESLC/KAPT closed for Memorial Day
May 30–June 2	FASFAA Annual Conference, Orlando, Fla.
May 31–June 2	GASFAA Annual Conference, Pine Mountain, Ga.
June 14–16	MASFAA Annual Conference, Starkville, Miss.
June 19–24	SASFAA Summer 2017 New Aid Officer’s Workshop, Jacksonville, Ala.
June 26–29	NASFAA National Conference, San Diego, Calif.
June 26–30	AACRAO Summer Institute for International Admissions, Arlington, Va.
July 4	KHEAA/KHESLC/KAPT closed for Independence Day
July 9–11	AACRAO Technology & Transfer Conference, New Orleans, La.
Sept. 14–16	NACAC National Conference, Boston, Mass.
Oct. 11–13	KASFAA Fall Conference, Lexington, Ky.
Nov. 28–Dec. 1	FSA Training Conference, Lake Buena Vista, Fla.

More events can be found on the websites for [NASFAA](#) and [NACAC](#).

