



FINANCE AND ADMINISTRATION CABINET  
KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY

Matthew G. Bevin  
Governor

P.O. Box 798  
Frankfort, Kentucky 40602-0798  
Phone: 1.800.928.8926  
TTY: 1.800.855.2880  
Fax: 502.696.7373  
www.kheaa.com

William M. Landrum III  
Secretary

Eugene P. Hutchins  
Executive Director

Contact: Tim Ballard  
Phone: 502-696-7372  
E-mail: [tballard@kheaa.com](mailto:tballard@kheaa.com)

### **Financial Aid Tip for Students, June 2018**

#### **Private loans bridge gap between college costs, other student aid**

Most college-bound students qualify for financial aid to help pay for their education, such as federal and state grants, scholarships and federal loans. In addition, local scholarships are often available, according to the Kentucky Higher Education Assistance Authority (KHEAA). Parents can also borrow federal loans to help pay students' college costs.

However, these programs may not cover all the costs of college. When that happens, many people turn to private student loans, such as Advantage Education Loans.

Since interest rates on private loans largely depend on the borrower's credit rating, some students may have to pay higher rates than they would on federal student loans. In addition, many lenders require students to have a cosigner, and some require the college to certify that the student needs the loan.

Students and parents are encouraged to do research before committing to any loan. They should compare the loans offered by various lenders to find the best possible deal.

KHEAA is the state agency that administers Kentucky's student financial aid programs, including the Kentucky Educational Excellence Scholarship (KEES). Its sister agency, the Kentucky Higher Education Student Loan Corporation (KHESLC), offers Advantage Loans to help students and parents pay for college or to refinance student loans. For more information, visit [www.advantageeducationloan.com](http://www.advantageeducationloan.com).

For more information about Kentucky scholarships and grants, visit [www.kheaa.com](http://www.kheaa.com); write KHEAA, P.O. Box 798, Frankfort, KY 40602; or call 800-928-8926, ext. 6-7214.

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