



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

### Money Tip for Students, October 2018

#### Time to start repaying student loans

If you finished college in May and have federal student loans, it's almost time to start repaying them. These tips from the Kentucky Higher Education Assistance Authority (KHEAA) may help.

One of the smartest things you can do is pay more than your scheduled amount. If you ask your lender to apply the extra to the principal, you'll pay less interest over the life of your loan.

You have several plans from which to choose. The standard repayment plan calls for equal monthly payments over 10 years. The minimum monthly payment is usually \$50. Other options include:

- Graduated repayment, with lower amounts that get higher over the 10-year period.
- Income-driven repayment plans, with monthly amounts based on income and family size. Some plans forgive the balance if you make on-time payments for a certain time.
- Pay As You Earn, if you received no loans before Oct. 1, 2007, and at least one loan after Sept. 30, 2011.

You'll probably pay more interest over the life of the loan if you use any option other than standard repayment. Also, you may have to pay taxes on any amount that is forgiven.

Remember that the federal government can change repayment programs at any time.

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.

KHEAA also disburses Advantage Education Loans, the state's only non-profit private education loan. For more information, visit [www.advantageeducationloan.com](http://www.advantageeducationloan.com).

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