

NEWS FROM

KHEAA–Alabama

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Money Tip for Students, May 2019

Exit counseling prepares student loan borrowers for repayment

Students who have borrowed federal loans to help pay for college and are finishing their schooling must take exit counseling to prepare for repaying those loans. That goes for student borrowers who are completing degrees, diplomas and certificates, according to KHEAA–Alabama.

During exit counseling, students learn about their repayment options, about deferments and forbearances, and about what might happen if they don't repay their loans.

The U.S. Department of Education assigns student loans to one of eight loan servicers.

Servicers not only collect payments but will also help students pick the loan repayment option that best fits students' needs. Students should keep in touch with their servicer to make sure the repayment process goes smoothly.

KHEAA is a public, non-profit agency established in 1966 to improve students' access to college. It provides information about financial aid and financial literacy at no cost to students and parents. KHEAA also helps colleges manage their student loan default rates and verify information submitted on the FAFSA. For more information about those services, visit www.kheaa.com.

For more information about financial aid and college planning, visit www.alstudentaid.com.