

NEWS FROM

KHEAA–Alabama

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Money Tip for Students, May 2021

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.

Exit counseling gives students the information they need to learn about staying on track with loan repayments after college so they can continue to pursue their goals. The counseling also helps students learn what to do if they have trouble making their payments.

Deferments and forbearances let students stop making payments temporarily if they qualify. Most federal student loan payments are in forbearance at least through Sept. 30, 2021, because of the COVID-19 pandemic.

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.

The agency 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.

In addition, KHEAA disburses private Advantage Education Loans on behalf of its sister agency, KHESLC. For more information, visit www.advantageeducationloan.com.

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