

NEWS FROM

KHEAA–Alabama

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Money Tip for Students, May 2022

Exit counseling prepares student loan borrowers for repayment

Alabamians who have borrowed federal student loans and are finishing their schooling must take exit counseling, according to KHEAA–Alabama.

The federal government requires the counseling so student loan borrowers will understand their obligations and options. During their counseling session, they will learn how to ensure that they make their payments on time and whether they can qualify for a deferment or forbearance.

Deferments and forbearances let you stop making payments temporarily, if you qualify. Most federal student loan payments are in forbearance at least through Aug. 31 because of the pandemic.

The U.S. Department of Education assigns student loans to one of eight loan servicers, which collect payments. Servicers also help students pick the best repayment option. 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 kheaa.com.

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

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