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NEWS RELEASE

Six-Month Grace Period Begins for College Graduates
PHEAA offers graduates repayment tips

Harrisburg, PA (May 28, 2008) – The Pennsylvania Higher Education Assistance Agency (PHEAA) is encouraging recent college graduates to take advantage of their six-month grace period to carefully plan for their federal student loan repayments.

Traditionally federal student loan borrowers enter a six-month grace period following graduation, allowing them time to find a job and get financially situated before they must begin repayment on their student loans.

“This is a much deserved time of celebration for college graduates, a time to launch new careers and successes: however, it is also the perfect time to think about repayment of their student loans,” said PHEAA Board Chairman and State Representative William F. Adolph, Jr. “During this six-month period, graduates have the opportunity to review all repayment options and set up a budget that meets their needs that will keep them on track so there will be no surprises or financial missteps down the road.”

PHEAA is offering the following tips to recent graduates who are in the six month grace period:

- **Mark the date.** The six-month grace period begins ticking when a student graduates or their enrollment status drops to less than half-time (generally less than six credits). Borrowers should keep track of when their first student loan payment is due, to avoid late payments that will amount to additional costs.
- **Consider repayment options.** It is important for borrowers to contact their lender to find out which repayment method best suits their needs.
- **Avoid unnecessary debt.** Limit all credit card spending and avoid cards with high interest rates.
- **Budget wisely.** Set a monthly budget and stick to it.

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- Make payments on time. By always paying bills on time, borrowers can help keep a favorable credit score while helping to avoid late penalties.
- Enroll in automatic debit program to ensure that payments are made in a timely manner.
- Update records. Borrowers should always inform lenders if there has been a change in address or a phone number.
- Shop and Save. Take advantage of the Student Loan Rebates program. By purchasing everyday items, such as groceries and gas through participating companies, a percentage of the purchase can be rebated toward paying down student loan debt. (StudentLoanRebates.com)

Borrowers should also visit YouCanDealWithIt.com for helpful information on financial planning and budgeting, managing student loan debt, and establishing good credit habits. This free online resource provided by PHEAA also offers borrowers repayment tools, like an online repayment calculator and checklist.

For more information on PHEAA and its services, please visit pheaa.org.

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About PHEAA

In order to support its public service mission over the last 44 years, PHEAA has evolved into the nation's leading nonprofit student aid organization. PHEAA's mission is powered by American Education Services (AES), its commercial business enterprise. AES is a national provider of student financial aid services, serving millions of students and thousands of schools through its loan guaranty, loan servicing, and financial aid processing systems. As a nonprofit organization, PHEAA devotes its energy, resources and imagination to developing innovative ways to ease the financial burden of higher education for Pennsylvania's students, families and taxpayers.