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**NEWS RELEASE**

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**PHEAA Offers College Graduates Repayment Guidance**  
***Almost 2 million U.S. students to receive degrees & diplomas***

**Harrisburg, PA (May 19, 2009)** – This month, college students across the nation will be earning their diplomas and degrees and taking the first steps toward personal and financial independence. Many graduates will be facing a challenging employment environment which makes it more important than ever to plan ahead for beginning their federal student loan repayment.

"We encourage all students to actively look for employment sooner rather than later in this uncertain economic period," notes Representative William Adolph, Jr., Chairman of the PHEAA Board. "Recent graduates should use this time to become familiar with their loan repayment options and save money when possible to help them prevent financial missteps down the road."

Federal student loan borrowers traditionally have a six-month grace period following graduation before their loan repayments begin. This grace period allows them time to find a job and become financially stable prior to beginning monthly loan repayment.

"Establishing a solid financial-footing is critical, which is why borrowers should contact their lender or servicer as soon as possible if they expect to have any difficulty making their monthly loan payments," notes Senator Sean Logan, Vice-Chairman of the PHEAA Board. "The key to successful loan repayment is to communicate your situation and make informed decisions that can make monthly payments more manageable."

PHEAA recommends that recent graduates who are in their six-month grace period:

- Keep track of the date that their first student loan payment is due to avoid late fees. The six-month grace period begins when a student graduates or their enrollment status drops below half-time (typically less than six credits).
- Consider which repayment option best suits their situation by contacting their lender or loan servicer.

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- Limit all credit card spending to avoid unmanageable debt levels.
- Set a monthly budget and stick to it.
- Maintain a favorable credit score by making payments on time
- Enroll in automatic debit program to save money and make sure payments are made on time
- Notify lender and loan servicer of any changes to address or phone number

For helpful information on financial planning and budgeting, managing student loan debt and establishing good credit habits, borrowers should visit [YouCanDealWithIt.com](http://YouCanDealWithIt.com). This award-winning resource offers borrowers repayment tools, such as online repayment calculators and checklists.

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#### **About PHEAA**

Created in 1963 by the Pennsylvania General Assembly, the Pennsylvania Higher Education Assistance Agency (PHEAA) has evolved into one of the nation's leading nonprofit student aid organizations. Today, PHEAA is a national provider of student financial aid services, serving millions of students and thousands of schools through its loan guaranty, loan servicing, financial aid processing systems and outreach programs. As a nonprofit organization belonging to the Commonwealth of Pennsylvania, PHEAA devotes its energy, resources and imagination to developing innovative ways to ease the financial burden of higher education for Pennsylvania's students, families, schools and taxpayers.