Kentucky Higher Education Student Loan Corporation

P.O. Box 24328
Louisville, KY 40224-0328
Phone: (800) 693-8220
Fax: (502) 329-7077
kheslc.com

If you are having trouble making payments, alternative repayment plans may make your monthly payments more affordable and help you avoid default. Repayment plans may be changed once a year. The **Standard Repayment Plan** requires a fixed payment amount each month and generally results in the lowest amount of accrued interest over the life of the loan. Other repayment plans, which could lower monthly payments but may cost more over the life of the loan, include:

- **Income-Sensitive –** Payment amount changes annually (requires annual verification of income) and must cover the accrued interest on the loan.

- **Graduated –** Payment amount gradually increases.

- **Extended –** Payments can be extended to a maximum of 25 years. Loans must have been made on or after 10/7/98 and total Federal Family Education Loan Program (FFELP) debt exceeds $30,000.

- **Income-Based –** If your federal student loan debt to income ratio is high, maximum payments are based on your income and family size. Debt after 25 years of qualifying payments may be forgiven (requires annual verification of income and total loan amounts).

If your loan defaults, you may face up to a 24.34% collection cost, poor credit rating, loss of financial aid, loss of deferment and forbearance eligibility, possible garnishment of wages, tax refunds, and federal payments. Options for avoiding default include: the repayment plans listed above, forbearance, deferment, or loan consolidation.

During a forbearance, you may be eligible to temporarily stop making payments or make smaller monthly payments. Interest continues to accrue and may result in paying more over the life of the loan. If interest is not paid, it may be capitalized (added to the principal balance).

If you have questions about this notice or your loans, contact a servicing team member.

Revised: 02/17/2015