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**FOR IMMEDIATE RELEASE**

## PHEAA Announces New Keystone Student Loan Program

**Harrisburg, PA (June 20, 2024)** – The Pennsylvania Higher Education Assistance Agency (PHEAA) has announced that it is expanding its PA Forward Student Loan Program into three neighboring states – Ohio, New York, and Virginia – under the umbrella of the new Keystone Student Loan Program. Undergraduate and graduate students, as well as parents, residing in those states would be able to get a loan from PHEAA to attend a non-Pennsylvania school. The program will be extended to Delaware, Maryland, West Virginia, and New Jersey in the fall of 2024.

PHEAA serves as the lender and loan servicer of Pennsylvania's state-based private student loan option - the PA Forward Student Loan Program - funded with a line of credit provided by the PA Treasury, tax-exempt allocation from the PA Department of Community and Economic Development (DCED) and only available to Pennsylvania residents attending an approved school in or out of the Commonwealth, or a student from an approved state (DE, MD, NJ, NY, OH, VA, and WV) attending an approved Pennsylvania school.

"The launch of the Keystone Student Loan Program provides the opportunity to now assist students from Ohio, New York, and Virginia in affording the gap between their current financial aid package and the actual cost of their higher education," said Senator Wayne D. Fontana, PHEAA Board Chairman. "We're very proud of this program and its benefits and pleased to be able to extend the offer to our neighboring states."

Keystone Student Loan borrowers can borrow up to the total cost of attendance with competitively low interest rates. Undergraduate and graduate loans under the Keystone Student Loan Program have a low, fixed rate from 4.99 - 11.18% APR\*. Additional benefits include no application or origination fees, immediate credit approvals, and flexible repayment options.

Borrowers can receive a .25 percent interest rate reduction for enrolling in an automatic direct debit program and an additional .50 percent interest rate reduction for achieving successful graduation. Borrowers also benefit from a 6-month grace period after graduation before the first payment is due. This allows borrowers time to get their finances in order, including time to find a job, before repayment begins.

"The impact of the PA Forward and Keystone Loan Program goes far beyond the students who receive financing," explained James Steeley, PHEAA President & CEO. "The money earned through those programs supports PHEAA's public service mission, funding other student aid programs and services for students in need. It's an excellent option for covering the gap in one's own funding, while also supporting other aid programs."

Keystone Student Loan eligibility requirements include:

- Enrollment: Student must be enrolled in a Title IV approved school (on-campus and distance education)
- Program: Student must be seeking a degree, certificate, or diploma
- Residency: Must be a NY, OH, or VA resident attending an approved school in any state except PA; all borrowers must be citizens or permanent residents of the United States
- Financial Need: Up to the cost of attendance minus other financial aid, as certified by the school
- Credit Criteria: Subject to credit review (credit approval is good for 180 days)

The repayment option chosen will be used as a factor when determining interest rates. For undergraduate and graduate loans under the Keystone Student Loan Program, applicants may choose between immediate repayment, where the interest and principal payments begin while the student is in school; interest only, where monthly accrued interest payments are made while the student is in school; partial interest payment, where a fixed monthly interest payment of \$25.00 is made while the student is in school; or full deferral where payments are not required while the student is in school.

To learn more about the Keystone Student Loan Program, current interest rates, and to apply, visit [keystonestudentloans.org](http://keystonestudentloans.org).

\*The annual percentage rates (APRs) represent the range of possible APRs available to an eligible applicant. The lowest APRs are calculated assuming a borrower qualified for a 0.25% Direct Debit benefit and a 0.50% graduation benefit on each loan for the maximum allowable period during repayment.

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#### About PHEAA

The Pennsylvania Higher Education Assistance Agency (PHEAA) was created by the Pennsylvania General Assembly in 1963 to provide affordable access to higher education for PA students and families. Through the years, PHEAA has evolved into one of the nation's leading providers of student financial aid services, including the Commonwealth's first state-based student loan program – PA Forward. PHEAA also serves millions of students through its loan guaranty, loan servicing, financial aid processing, and other programs.

PHEAA conducts student loan servicing operations nationally as American Education Services (AES).

PHEAA's press releases are accessible at <https://www.pheaa.org/about/press-releases/>.