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Press Release

EXECUTIVE DIRECTOR'S OFFICE

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Alaska Student Loan Rates Drop Sharply; Federal Rates Rise

Juneau – The Alaska Student Loan Corporation (ASLC) has set base rates for 2017-2018 student and family loans at 5.75%, with a discounted rate available to students who attend school in Alaska or who live in Alaska after graduation. This is a steep drop from the prior year, and a sharp contrast with federal rate increases. The rate on the federal PLUS loan for parents and graduate students is expected to be 7.0%.

These new rates mean a parent planning to take out a \$10,000 PLUS loan could save \$822 over the life of the loan by choosing the Alaska Family Education Loan (FEL) instead.

The Corporation's public mission drives it to set interest rates as low as possible while maintaining fiscal soundness. This year's rate drop is driven by an investment of equity, as part of a long-term strategy to maintain a loan program that provides added value to Alaskans.

University of Alaska President Jim Johnsen says the State loan program is critical to Alaska's students. "It's important that Alaskans have access to affordable higher education. That's why I am pleased that our state student loan program offers low fixed rates for life."

The Alaska Supplemental Education Loan (ASEL) and the FEL are available to Alaska residents. Loans can be used for in-state and out-of-state study, and many career training programs.

Joey Crum, President of Northern Industrial Training and Chair of the Alaska Commission on Postsecondary Education, appreciates that state loans make career training accessible to students. "Our programs are designed to and succeed in putting students to work, but don't qualify for federal financial aid. Students in our truck driving, welding and other vocational programs can use the Alaska Student Loan to access training for high-demand careers in Alaska. This State loan helps those that want postsecondary education in career training or higher education to invest in themselves."

ASLC Executive Officer Stephanie Butler stresses that it's important for students to access all non-loan aid before borrowing, and to do their research before taking on an education loan. "If you borrow, borrow only the minimum you need – and read the fine print when choosing the loan that's right for you. Remember that federal loans often offer unique benefits, such as income-based repayment. Make sure you double-check to see which benefits apply to your loan before you sign."

More information is available at <http://acpe.alaska.gov/Loans>.

About the Alaska Student Loan Corporation: ASLC, a public corporation and enterprise instrumentality of the State of Alaska, funds the Alaska Commission on Postsecondary Education's programs through tax-exempt bond sales. It has a legal existence independent of the State.

About the Alaska Commission on Postsecondary Education: ACPE promotes access to and success in education and career training beyond high school, and manages the loan program funded by ASLC.

The Commission provides education planning tools and resources, advocacy and support for postsecondary participation in Alaska, financial aid for college and career training, and education consumer protection through institutional authorization and complaint investigation.

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