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## Press Release

EXECUTIVE DIRECTOR'S OFFICE

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FOR IMMEDIATE RELEASE

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### **Refinance Program Can Help Alaskans with Student Loan Debt**

(Juneau)- Alaska has a new option for residents struggling to repay high-interest student loans.

The Alaska Commission on Postsecondary Education (ACPE) is offering the new state Alaska Education Loan Refinancing Program, financed by the Alaska Student Loan Corporation (ASLC), for qualifying Alaska residents seeking to reduce costs on student loans they or their family members borrowed to pay for higher education or training.

The Alaska Refinancing Loan will offer a fixed 5.2% interest rate for the life of the loan, and borrowers can choose a 5, 10, or 15 year repayment schedule. With some federal loan interest rates as high as 7.9%, and the average private loan variable rate around 7.8% - with risk of substantial increase if interest rates rise<sup>1</sup> - this program offers an opportunity for substantial savings.

The Alaska Refi also allows borrowers to roll multiple education loans, including federal loans, state loans, and loans from private lenders such as Sallie Mae or banks, into one fixed-rate loan.

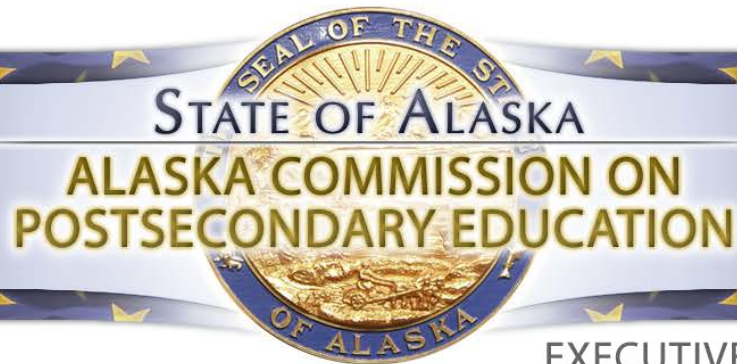
"This program offers a cascade of benefits to borrowers struggling to manage multiple loans and to Alaska in general," said Stephanie Butler, ACPE Interim Executive Director. "The program is designed to lower costs for existing borrowers who have been working hard to repay their debt on time. It is also intended to also enable ASLC to realize servicing efficiencies, with a long-term goal of providing across-the-board cost reductions, including for new borrowers, increasing their ability to afford to go to college or participate in career training."

"Student loans can be a good investment when they lead to a degree and a career. The University of Alaska encourages students to borrow only what is needed, and I am pleased to see ACPE's new program to help students lower their costs," said Saichi Oba, Associate Vice President, University of Alaska.

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<sup>1</sup> [http://files.consumerfinance.gov/f/201207\\_cfpb\\_Reports\\_Private-Student-Loans.pdf](http://files.consumerfinance.gov/f/201207_cfpb_Reports_Private-Student-Loans.pdf)

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The Alaska Refi will have just one fixed interest rate with the credit requirement (720 FICO) disclosed right up front. Applicants who don't meet the credit requirement may use a cosigner to qualify.

The Refi Loan is available to help former student borrowers with their own loan debt, and:

- Parents who borrowed on behalf of multiple students may refinance all the loans for multiple children into just one loan
- Former students who are repaying parents who borrowed for them can refinance the loans in their own names
- Cosigners who are managing loans for their borrowers can refinance the loans in their own names

More information about the loan, including the application, is available online at [https://acpe.alaska.gov/Alaska\\_Refi](https://acpe.alaska.gov/Alaska_Refi). The online application process includes an instant pre-approval.

As with all big decisions, applicants should always consider the pros and cons of refinancing. Although refinancing student loans may help you improve your credit score, lower loan costs, and provide the ease of just one bill, you also need to consider what you may be giving up. This includes the loss of repayment options available on some federal loans, such as deferment, forbearance, and pay-as-you-earn repayment plans, or borrower benefits such as forgiveness other interest rate reductions. Some of these may be addressed by excluding federal direct student loans from the refinance loan.

For more information about the Alaska Education Loan Refinancing Program, contact ACPE at 800-441-2962 (465-2962 in Juneau) and press 0 to be connected directly to a customer service specialist.

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