

7 Steps to Prevent Default



Why Stay Current? It Pays.

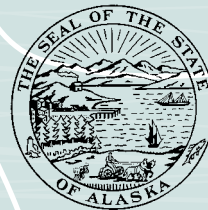
Keeping your loan payments current affords you many benefits—it saves you money and gives you options.

- ◆ Solid credit rating: This can help you when you need to finance other purchases.
- ◆ Lower finance charges: The total cost of your loan is less if you keep interest from building up.
- ◆ Cost reductions: For example, ACPE offers cost reductions for borrowers who sign up for a Direct Pay option.
- ◆ Continued education loan eligibility.

Get back on track quickly

If you do fall behind, commit yourself to catching up as quickly as possible.

The faster you catch up, the less you'll pay in the long run.



Alaska Advantage Programs

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ALASKA COMMISSION ON POSTSECONDARY EDUCATION



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So What if I Default?

Loan default is serious and carries some long-term consequences. Any or all of the following may happen:

- ◆ Late fees and collection costs may be applied to your loan.
- ◆ Your default will be reported to all national credit bureaus.
- ◆ Your Alaska Permanent Fund Dividend (PFD) may be garnished to repay your loan(s).
- ◆ Your wages may be garnished.
- ◆ Your income tax refund may be seized.
- ◆ You may be sued for the balance of your loan(s).
- ◆ You may not be able to renew your professional license.
- ◆ You may lose eligibility for many types of student aid.
- ◆ Your school may withhold your transcripts.
- ◆ A lien may be placed on any property you own.
- ◆ Your account may be referred to a collection agency at your expense.

The consequences of default are serious and may impact your future more than you can anticipate. We are here to help. Don't let default happen to you!

Steps to Avoid Default

1. Don't Borrow More than You Need.

Review your budget carefully. You may be tempted to borrow all you can and use “excess” money for late-night pizza delivery, morning lattes, and spring break at the beach. Don't! It's much wiser to consider what you really need: by limiting the extras now, you can minimize loan debt.

2. Understand Your Rights & Responsibilities.

Your promissory note is your promise to repay your loan. When you sign the promissory note, you agree to abide by all the borrower responsibilities associated with the loan. The note also spells out your borrower rights, which can be critical to you if you experience difficulty in making your monthly payments. If you're unclear about any of the responsibilities and rights, be sure to contact us or your school's financial aid office before you sign.

3. Stay in Touch with Your Lender.

Make sure we have your current contact information, including your name, address, and phone number. Throughout repayment, your lender will send you information about changes or updates to your loan.

4. Keep Your Account Current.

A good repayment history pays off in many ways. ACPE reports all loan activity to credit bureaus, and on-time payments help you establish a positive credit history.

5. Sign Up for Direct Pay.

The easiest way to keep your account current is through one of ACPE's Direct Pay options. Contact us at 800.441.2962 to learn more about these options. Sign up and receive a 0.25% interest rate reduction.

6. Use Your Billing Coupon.

If you pay by mail, always include the billing coupon to ensure your payment is applied quickly and accurately.

7. Ask ACPE for Help.

Default is avoidable. ACPE specialists can work directly with you to prevent you from defaulting on your loan(s). They will work with you to identify options or solutions for your situation. Options may include reduced payments or postponing payments due—we're here to help.

