

More than **half** of Alaskan Students, who take out student loans, potentially **pay too much.**¹

Alaska Students Pay More:²

- over \$7,000 more for Federal PLUS loans
- over \$17,500 more for fixed rate private loans
- over \$8,500 more for risky variable rate private loans

than with ACPE

Lender Rates ³ from 8/28/18	Lowest Fixed Rate APR	Highest Fixed Rate APR
ACPE	4.93%	7.93%
Sallie Mae	5.74%	11.85%
Wells Fargo	5.94%	11.26%
Discover	5.99%	13.99%

Students without strong credit histories are suffering the most when they borrow from private lenders at rates that can be **more than double ACPE's rates.**

Alaska Commission on Postsecondary Education (ACPE) Benefits All Alaskans

ACPE offers **discounted interest rates** – *good for the life of the loan* – for students who invest their higher education dollars at **schools in Alaska.**

ACPE is the only public lender in Alaska, the only lender headquartered in Alaska, **staffed by Alaskans**, and ensuring that Alaska loans are serviced in Alaska.

ACPE manages the state's grant and scholarship programs, and financial literacy and planning tools for students, all funded by the Alaska Student Loan Corporation.

Students need to know about their state loan options

– or they may decide it is too expensive to attend college or training

- 66% of jobs in Alaska will require a postsecondary credential by 2025, and that's a 28% gap we need to fill
- Alaska is in the unusual situation of its younger adults being less educated than the population that's retiring, meaning we can't replace retirees with Alaska residents
- Alaska is dead last in the nation for the % of high school grads who go to college and succeed in college

Serves
180,000+
Alaskans per year in outreach about education

Supports
55,500+
Alaskans in obtaining education with the help of loans

Saves
\$14.4M
for Alaskans who borrowed in 2017/18⁴

Alaska Student Loan Corporation

ACPE.Alaska.gov



Alaska Commission on Postsecondary Education

2018-2019

Education Loans – *at-a-glance*

FEDERAL, STATE, & FOR-PROFIT COMPARISON



Alaska Student Loan Corporation

Compiled by ACPE

	Federal loans may be transferred between various contract servicers			State Alaska Commission on Postsecondary Education		For Profit Banks and other private lenders
	Federal Direct Loan – Undergraduate ²	Federal Direct Loan – Graduate	Direct PLUS	Alaska Supplemental Education Loan	Family Education Loan	Generally depends on credit score
Interest Rate	5.05%	6.60%	7.60%	4.93-7.93% APR (5.15-8.50% fixed rate*)	6.65-6.90%	9.66% (average fixed rate)
Only Offers Fixed Rates	✓	✓	✓	✓	✓	●
No Origination Fee	●	●	●	✓	✓	●
Auto-Pay Rate Discount	✓	✓	✓	✓	✓	✓
Alaska In-State Rate Discount	●	●	●	✓	✓	●

acpe.alaska.gov/loans
800-441-2962

*Rates are for the 2018-2019 academic year.
Learn how we determine rates at acpe.alaska.gov/myrate

1: Measure One Quarterly Originations Report, issued August 2018 and reporting data as of the end of June 2018. This report provides data in the private student loan market, including disbursement volumes by region and state, and calculates market share as a percentage of disbursements for 17 lenders accounting for 65% of the total private student loan market.

2: Compares average rates from ACPE and lender type indicated, with student attending school for four years, borrowing \$10,000 each year with loans remaining in an in-school status through year four of school, followed by six months of grace period. Interest accrues from disbursement and is capitalized before entering a 120-month repayment period.

The following program year 2018 interest rates are used in the cost analysis:

- 5.75% Alaska Supplemental Education Loan (ASEL)
- 7.00% PLUS loan, with additional 4.264% loan fee added
- 7.81% average national private education loan variable interest rate and
- 9.66% average national private education loan fixed interest rate, according to LendEDU.com

3: Data pulled from lender web sites on August 28, 2018.

Sites are:

<https://www.salliemae.com/student-loans/parent-loan/compare-student-loan-options-for-parents/>

<https://wfefs.wellsfargo.com/terms/TodaysRatesFilterServlet>
(selected Alaska as state, UAA as school, and business as major)

<https://www.discover.com/student-loans/>

4: \$14.4M savings compares the ASEL and the average national fixed rate. Each borrower saves \$17,551 over the life of the loan, multiplied by the number of ACPE borrowers during the 2018 program year.

ACPE is Alaska's trusted higher education state agency.
Our purpose is to serve Alaskans.

Alaska Student Loan Corporation

ACPE.Alaska.gov



Alaska Commission on Postsecondary Education