



FY  
**26**

# Testimony before House Committee on Commerce Regarding VSAC's Budget Request

February 18, 2025

Patrick Leduc, Vice President and COO  
Tom Little, VP and General Counsel  
Vermont Student Assistance Corporation



# Serving all Vermont Students

- Administers VT529, Vermont's 529 college savings plan, with 29,311 accounts worth \$673.2 million
- Provides career and education counseling to 5,901 students of all ages
- Provides financial aid and forms nights, both in person and virtually
- Administers the Vermont State Grant program for low-income Vermonters, including the Vermont Emergency Micro Grant
- Administers the 802 Opportunity Grant
- Administers a growing list of interest free workforce incentive programs
- Administers more than 140 scholarship programs worth \$13.1 million annually
- Provides \$42 million in student and parent loans to help cover the cost of education and training, plus provides comprehensive loan counseling to borrowers

# VSAC's FY26 budget request

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Governor Scott has proposed increasing VSAC's base appropriation to support to students and adults by 3.6% or \$945,000. This would result in an FY2026 base appropriation to VSAC of **\$27,084,946**. This increase will allow VSAC to increase the income threshold for 802Opportunity from \$75,000 to \$100,000. Base funding supports the Vermont Grant, the Advancement Grant, the Trades Forgivable Loan Program and the Aspiration Program.

- In addition, VSAC is requesting funding for three workforce initiatives:
  - \$5.2 million for the creation of the Freedom & Unity Scholarship for students attending Vermont State University.
  - \$3.9 million for the Vermont Teacher Forgivable Loan Program
  - \$1 million for the Vermont Mental Health Counselor Forgivable Loan Program

# Freedom & Unity Scholarship

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- With the conclusion of the Critical Occupations Scholarship, Vermont students face a significant gap in financial aid for higher education. This new scholarship would help fill that gap, ensuring Vermonters can access the education needed to enter and strengthen our state's workforce.
- Modeled after **802Opportunity**, the Freedom & Unity Scholarship would provide **low- and lower-middle-income students** with the opportunity to earn a four-year degree tuition- and fee-free at **Vermont State University**.
- 802Opportunity has proven that simple, clear messaging about access and affordability of education has a powerful impact on enrollment, retention, and graduation, particularly for low-income, first-generation students. CCV experienced enrollment growth, increased retention, and increased graduation rates. We expect similar results from this model.
- This initiative expands access to higher education, supporting students in achieving their career and employment goals while aligning with our institutional efforts to keep college affordable and accessible.

# VSAC Freedom and Unity Scholarship

- VSAC is proposing to create a new scholarship that would provide low- and moderate-income students the ability to attend VTSU tuition and fee free.
- Modeled after the successful 802Opportunity Program, this scholarship will expand access for students pursuing four-year degrees and help strengthen enrollment, retention and graduation rates at Vermont State University.

Income	Cost to Cover All Budgets	Cost to Cover Standard & Online Budgets <sup>1</sup>
Up to \$50,000	\$3.2 million	\$1.6 million
Up to \$75,000	\$5.2 million	\$2.8 million
Up to \$100,000	\$6.7 million	\$3.8 million

<sup>1</sup>Standard & Online excludes programs like aviation, engineering, nursing, LPN (not a complete list)

# Teachers: The Most Vital Resource In Our Work to Educate Vermont Students

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- Vermont has 10% fewer teachers than it did before the pandemic
- This reduction is the second highest in the nation
- The Vermont Agency of Education reports that the highest proportions of teachers on emergency and provisional licenses are in rural schools

# Vermont Teacher Forgivable Loan Incentive

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- Student receive tuition charges by their program up to UVM's instate tuition rate
- Agree to work in Vermont following licensure one year for each year of scholarship receipt
- Awards can be used at any eligible school
- Awarded students sign a promissory note obligating them to work in Vermont as a teacher in a Vermont a public school for a minimum of one year following Licensure for each year awarded or to repay the funds received if obligation is not met

## Eligible Students must:

- Complete FAFSA and State Grant application if appropriate
- Maintain good academic standing
- Can be residents and non-residents
- Enroll in a teaching program, at an eligible school, that leads to a degree or certificate in education and a teaching license

# Vermont Teacher Forgivable Loan Incentive

Institution	FY'24 Awards	FY'25 Awards
CCV	-	1
Champlain	4	5
Middlebury	-	1
Norwich	1	4
Saint Michael's	16	25
UVM	14	60
VTSU	27	32
Out of State	12	38
<b>Total</b>	<b>74</b>	<b>166</b>

In FY25, there was no state appropriation. VSAC used the remaining carry over funding from FY24. An additional 218 applicants were not awarded.



# Opening Doors to the Profession of Teaching

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- 46% of recipients were Pell Grant eligible
- 24% identified as being male
- 25% were between the ages of 20 and 30
- 80% were new applicants

# Vermont Mental Health Professional Forgivable Loan Incentive

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- **Students receive tuition charged by their program up to UVM's instate tuition rate**
- **Agree to work in Vermont following licensure one year for each year of scholarship receipt**
- **Awards can be used at an eligible school**
- **Awarded students sign a promissory note obligating them to work in Vermont in as a licensed mental health professional for a minimum of one year following licensure for each year awarded or to repay the funds received if obligation is not met**

## **Eligible Students must:**

- Complete FAFSA
- Maintain good academic standing
- Can be residents and non-residents
- Enroll in a master's degree program in one of the following fields:
  - Social Work
  - Mental Health Counseling
  - Marriage and Family therapy
  - Psychology
  - Community Mental Health Counseling
  - Clinical Mental Health
  - Forensic Mental Health
- Program must allow recipient to sit for and pass one of the following licensure exams:
  - Licensed Clinical Mental Health Counselor (LCMHC)
  - Licensed Independent Clinical Social Worker (LICSW)
  - Licensed Alcohol and Drug Counselor (LADC)

# Vermont Mental Health Professional Forgivable Loan Incentive

Institution	FY24 Awards	FY25 Awards
Goddard	6	-
Saint Michael's	6	-
UVM	18	5
VTSU	56	47
Out of State	25	1
<b>Total</b>	<b>111</b>	<b>53</b>

In FY25, there was no state appropriation. VSAC used the remaining carry over funding from FY24. An additional 365 applicants were not awarded.

## VSAC FY25 Budget Summary - Core Budget

Act 113 section No.	Program	FY24 As Enacted (Act 78)	FY25 As Enacted (Act 113)	FY26 Request
B.605 & E.605	VSAC Grants (Full-Time, Part-Time, Advancement, Trades)	\$25,378,588 general fund base	\$26,139,946 general fund base	3.6% increase to general fund base (\$945,000)
B.605 & E.605(b)	Aspiration Program	E.605(b) - \$300,000 carved out of VSAC's base in B.605	Same	Same
B.605.1 & E.605.1	Flexible Pathways Stipend Fund	\$82,450 Stipend (½ General Fund; ½ Education Fund)	Same	Same
E.605(b&d)	VSAC – Seven Percent Administrative Fee Authority	Added – Sec. E.605(d)	Same	Same

## Other VSAC Administered Programs

Act 113 section No.	Program	FY24 As Enacted (Act 78)	FY25 As Enacted (Act 113)
B.301 & B.311	Vermont Nurse Forgivable Loan Incentive Program – 18 V.S.A. § 34	\$3,050,000 Global Commitment base through DOH to VSAC (\$1,304,400 GF; \$1,695,600 Fed Funds)	\$3,289,000 Global Commitment base
B.301, B.311 & F.4	Vermont Dental Hygienist Forgivable Loan Incentive Program – 18 V.S.A. § 40	\$100,000 Global Commitment base through DOH to VSAC (\$43,480 GF; \$56,520 Fed funds)	\$100,000 Global Commitment base
B1101(a)(2)	Vermont Teacher Forgivable Loan Incentive Program – Session law B.1101(a)(2)	\$2,500.000 one-time general fund	Carry forward and fully expended
B.1101(d)(1) & F.3	Vermont Psychiatric Mental Health Nurse Practitioner Forgivable Loan Program – 18 V.S.A. § 39	\$1,000,000 – one-time General Fund to the Department of Health to be transferred as needed to VSAC	Carry Forward
B.1101(c)(5)	UVM Office of Engagement, in consultation with VSAC, \$5K forgivable loans for recent college grads who live in VT for 2 years	\$1.5 million one-time general funds	Carry forward
B.215 & E.215	National Guard Tuition Benefit Program – 16 V.S.A. § 2857	\$1,319,834 General Funds through Military	\$1,319,834 General Funds through Military

Note: These programs are funded through appropriations to other agencies/entities - VSAC administers them. VSAC itself is not seeking any changes to these appropriations.

# Programs VSAC Administers – Funds Appropriated in FY 23 that were carried forward.

Program	FY23 As Enacted (Act 185)	FY24 As Enacted (Act 78)	FY25 As Enacted (Act 113)
Vermont Mental Health Professional Forgivable Loan Incentive Program – 18 V.S.A. § 38	\$1.5 million – one-time ARPA funds to DOH for VSAC shifted to "revenue loss" ARPA SFA by administration on 11/14/22 so ARPA restrictions lifted	Carry forward	Carry forward and fully expended
Nurse Faculty Forgivable Loan Incentive Program – 18 V.S.A. § 36	\$500,000 – one-time ARPA funds to DOH for VSAC shifted to "revenue loss" ARPA SFA by administration on 11/14/22 so ARPA restrictions lifted	Carry forward	Carry forward

Note: These programs are funded through appropriations to other agencies/entities - VSAC administers them. VSAC itself is not seeking any changes to these appropriations.



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## **APPENDIX**



# Vermont State Grant programs

In the 2023-2024 academic year (FY 2024), VSAC awarded 11,181 need-based education grants to students attending school full- or part-time or enrolled in nondegree courses of study.

## VSAC Micro-Grant:

Unexpected expenses can derail even the most dedicated of students. In FY24, VSAC awarded 231 grants totaling \$89,745 in emergency funds to students at risk of dropping out of school through our Micro Grant program.

A small grant of \$400 or less helps address unexpected expenses such as:

1. Computer issues
2. Car repair/tires
3. Food insecurity
4. Help with housing deposits

VT Grant Program	FY24 Grant Awards
Degree	8,425
Advancement	1,170

# Vermont Advancement Grant

Helping adults advance in Vermont's workforce

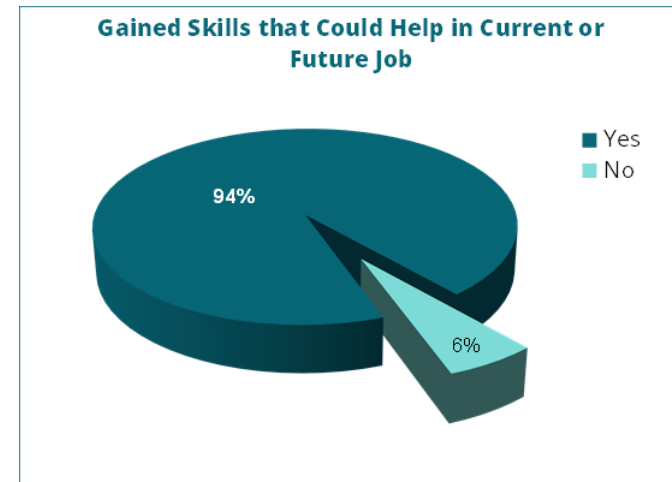
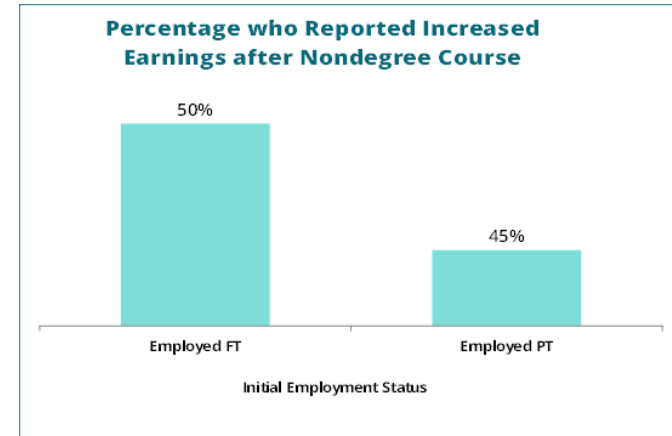
In FY24, 1,170 Advancement Grants were awarded, totaling more than \$3.7 million.

## Vermonters used their Advancement Grant:

To obtain non-degree credentials and training

As well as:

- Earn CDL licenses
- Obtain certification as childcare providers
- Enter healthcare professions such as LNAs and dental assistants



# Vermont Advancement Grant

The average Advancement Grant recipient is:

**35**  
**YEARS OLD**

  
**HOUSEHOLD  
OF TWO**



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**\$25,456**  
AVERAGE ANNUAL INCOME

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# Increasing Access to Higher Education

802Opportunity provides free tuition to the Community College of Vermont (CCV). Any Vermonter with a family Adjusted Gross Income (AGI) of less than \$75K per year qualifies.

**802Opportunity** opens doors for CCV students seeking:

- professional certificate programs,
- an associate degree, or
- to transfer to four-year degree programs.

**FY2024 802Opportunity** at-a-glance:

- Leverages federal and state grants
- More than 2,600 students attended CCV tuition-free








The average 802Opportunity scholar is an adult, female student enrolled part-time and pursuing an associate's degree.

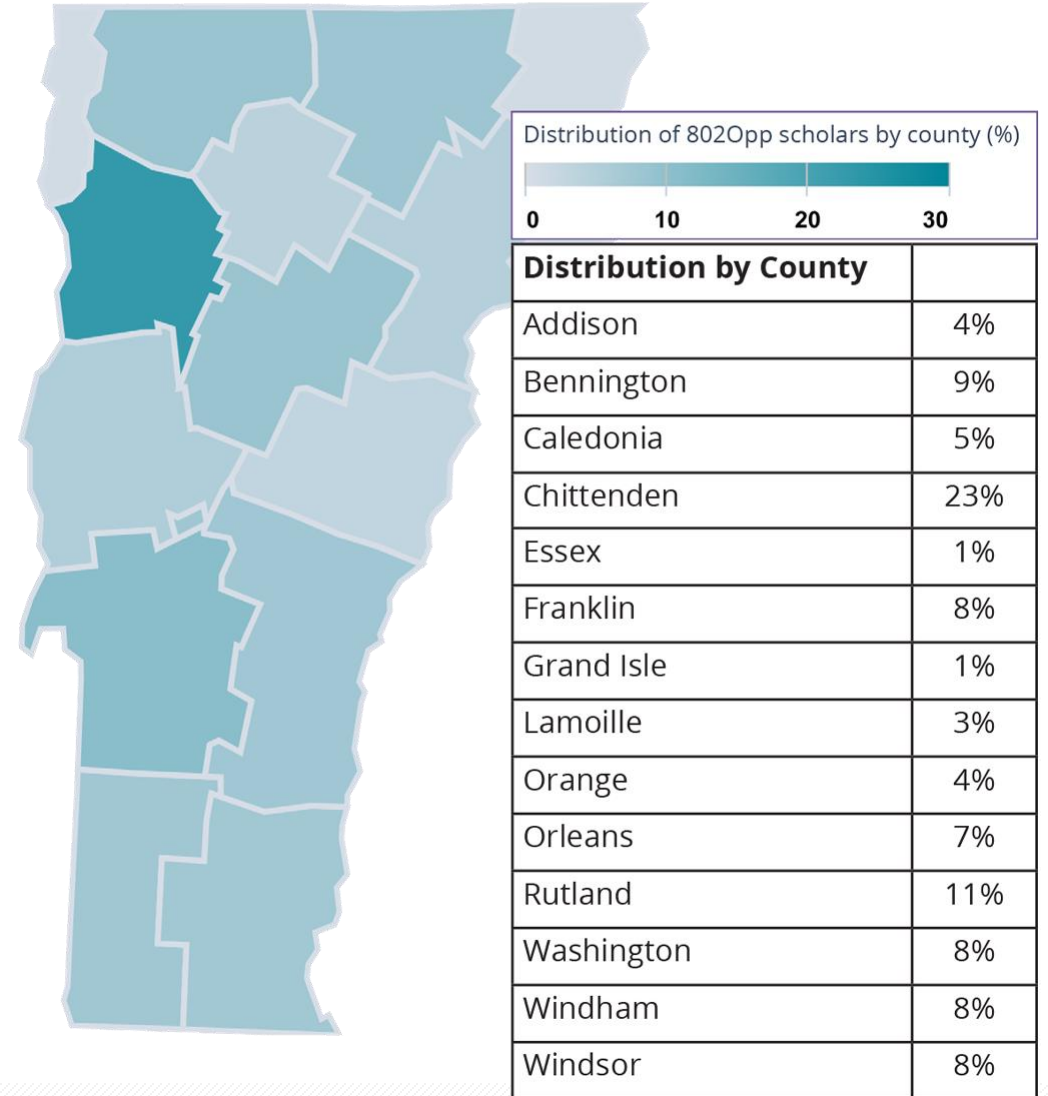


379 802Opportunity students earned a credential in AY23-24

802OPPORTUNITY STUDENT DEMOGRAPHICS

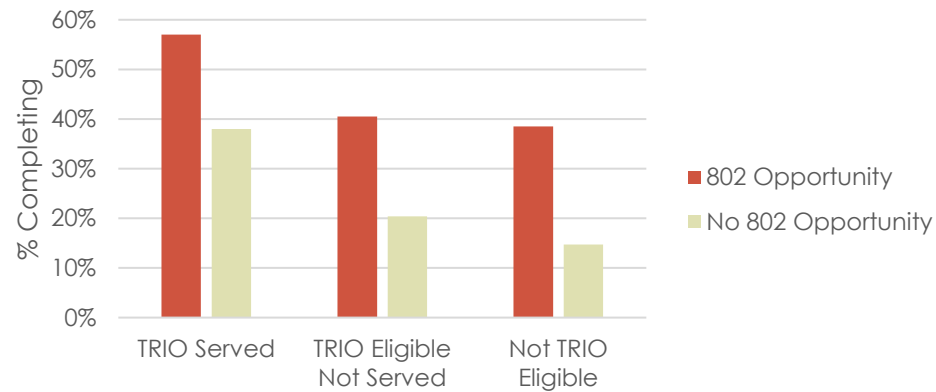
-  **73%** FIRST GENERATION
-  **69%** ADULT (25+)
-  **16%** POC OR HISPANIC

802OPPORTUNITY SCHOLARS BY COUNTY

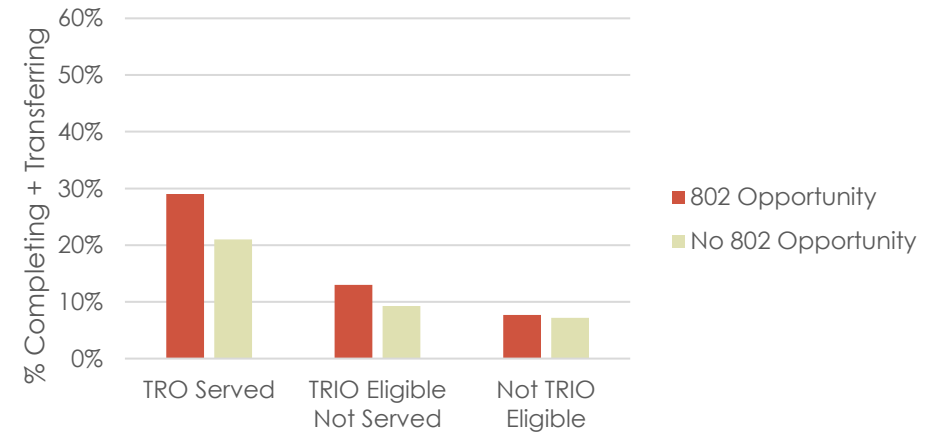


# The Success Effect of 802 Opportunity

802 Opportunity Funds Enhance the Efficacy of TRIO Support by Augmenting the 4-Year Completion Rate



Effects of 802 Opportunity and TRIO on completion + transfer outcomes



# Vermont Trades Program

The Vermont Trades program provides an interest-free, forgivable loan that covers up to full tuition for students enrolled in industry-recognized training and certification programs that lead to careers in high-demand sectors.

- In FY23, the Vermont Trades Program disbursed \$1.08M to 163 students representing all VT counties.
- In FY24, the Vermont Trades program has disbursed \$2.59M to 242 students.

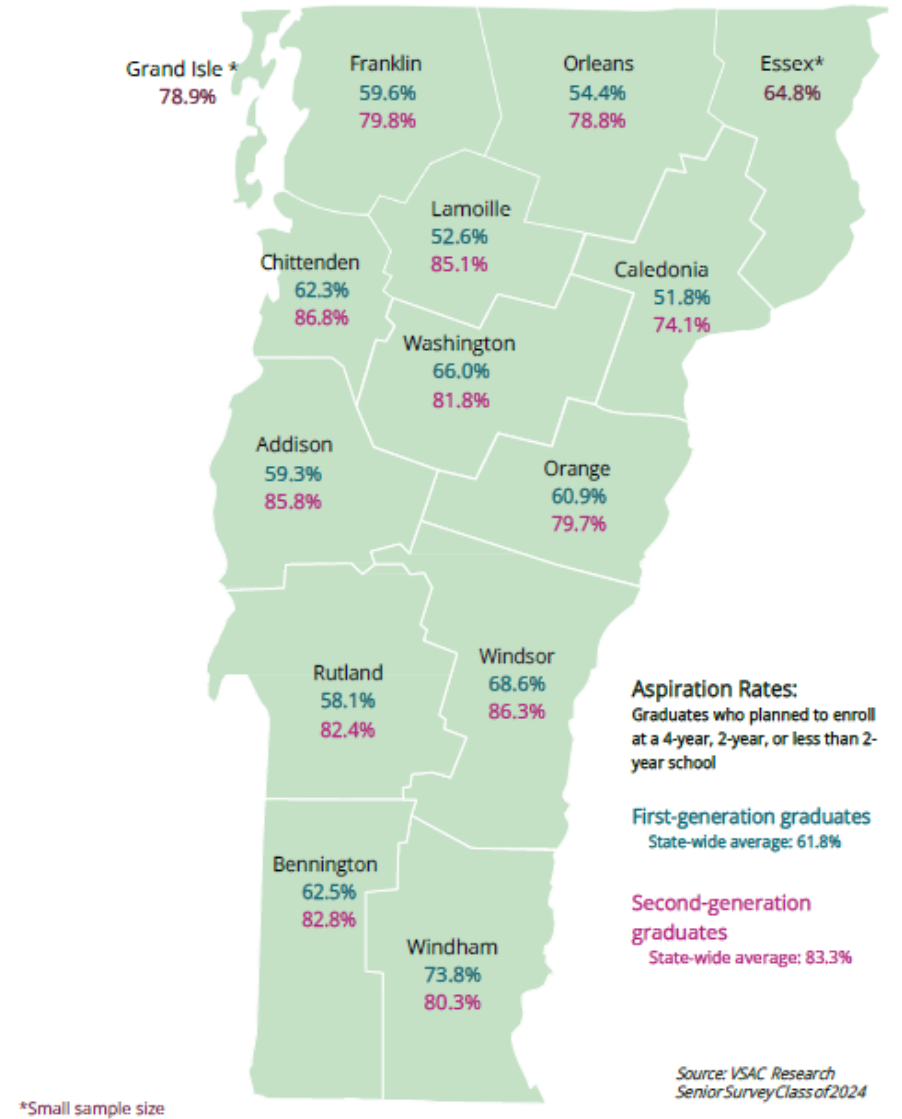
Trades	Awarded
Building Trades	17
Energy Trades	7
Industrial Trades	21
Mechanical Trades	22
Medical Trades	59
Paramedic	3
Transportation Trades	24
Bookkeeping/Accounting/Business	2
Data Analytics/Software Devel/Web Development	21
Cosmetology/Esthetics/Barbering/Nail Tech	136
Culinary	2
Design, Graphic Design and Media Communication	2
Massage Therapy	22
Teacher certification	4
Miscellaneous	7
<b>Total</b>	<b>349</b>

# Aspirations Partnerships

Aspirations Partnerships work with schools to build their capacity to graduate every student with a plan for their future. During the AY 24-25, VSAC is serving the following schools:

- Harwood Union High School
- Missisquoi Union High School
- Brattleboro Union High School
- Oxbow Union High School

*“Being a member of the Harwood Union Aspirations Team has been a bright spot for me. The work our team (students, staff, and community members) are doing is energizing and exciting. School change takes time, the Aspirations partnership commits to giving us the time, tools, resources, and supports HU needs to make sustainable change.” ~ Sally McCarthy, Former Director of Counseling, Harwood Union High School*





# Aspirations Professional Development

## Educators Supporting Post High school Planning (ESPP):

- Cohort based course designed for classroom teachers, delivered by Aspirations School Specialists.
- Graduate credit through Castleton.
- Course capstone projects have included:
  - Reflection assignment and rubric for student career exploration in science and math
  - Database of community members interested in supporting student career exploration in specific fields
  - Integration of project-based learning and post-high school planning into all courses in the connected learning department

## Senior Survey Workshops:

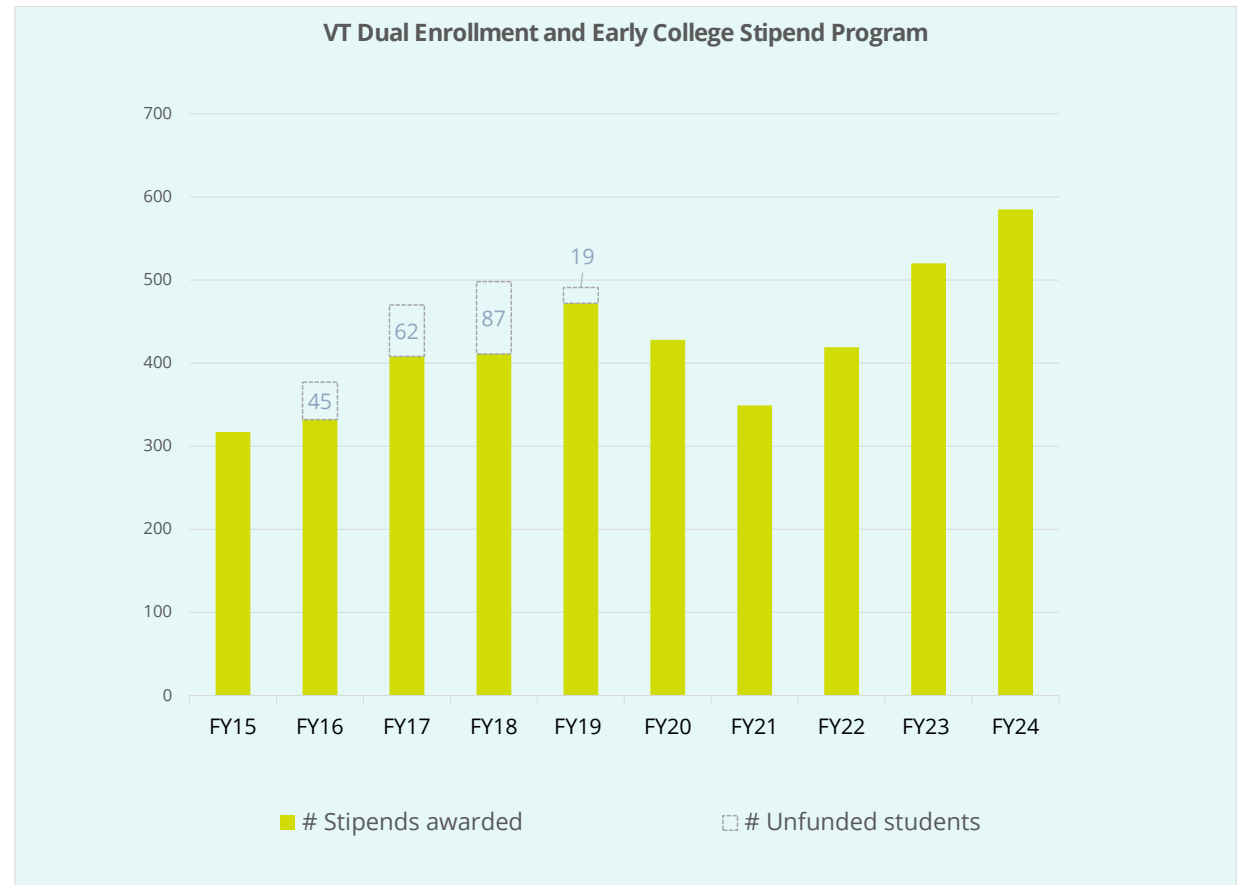
Opportunities for educators, school counselors, school leaders to deeply review their school's senior survey data and build action plans.

*"AMAZING. The pacing, processing, collaboration, action planning... I have done a lot of PD in my day, and this is the best I have attended."*

*"This was time very well spent and that's partly b/c of the info but largely because of the thoughtful facilitation and protocols."*

# Dual Enrollment & Early College Stipend

- A need-based stipend for high school juniors and seniors who enroll in early college or on-campus dual enrollment classes.
- Awards \$150 to cover the expenses of books, fees, and/or transportation
- This program's FY24 appropriation was \$82,450.
- We saw an increase in recipients of 12.5% in FY24.



# Vermont Nursing Workforce Incentive Loan Program

- Nursing students receive full tuition at a VT Public Institution
- Nursing students receive up to UVM tuition at VT Private Institution or Out-of-State Institutions not to exceed actual tuition
- Agree to work in Vermont following licensure one year for each year of scholarship receipt
- Awards can be used at any accredited, federal Title IV funding eligible, Vermont or Out-of-State Institution which offer nursing degrees
- Awarded students sign a promissory note obligating them to work in Vermont in a nursing position following licensure for each year awarded or to repay the funds received if obligation is not met

## Eligible Students must:

- Complete FAFSA and State Grant application if appropriate
- Maintain good academic standing
- Can be residents and non-residents
- Attend an eligible nursing program at an in-state or out-of-state school

## Priority:

- Licensed Practical Nursing (LPN's)
- Associate Degree in Nursing
- Bachelor of Science Degree in Nursing
- Graduate Nursing Education

\*\* Preference given to students attending Vermont institutions

# Vermont Nursing Workforce Incentive Loan Program

- **Priority: LPN's, Associate Degree, Bachelor Degree, Graduate Students**

FY '24 Program	Number of Awards
LPN	65
RN	79
Associate's Degree	6
BA	85
Graduate	24
<b>Total</b>	<b>259</b>

- **Students may attend an in-state or out-of-state institution with priority given to in-state schools.**

FY '24 Institution	Number of Awards
Norwich	35
UVM	46
VTSU	105
Out of State	73
<b>Total</b>	<b>259</b>

*\*72% of awards were disbursed to Vermont institutions*

FY25 budget was \$3.289 million, the program again saw unprecedented demand and VSAC was unable to fund 340 applicants. It would have required an additional \$3.5 million to fully fund these applicants.



## Ongoing collaboration with our partners at the Vermont National Guard

- VSAC continues to support and administer the Vermont National Guard Tuition Benefit Program.
- VSAC continues to include various military funding options in our popular Scholarships Booklet including: The Vermont Air and Army National Guard Montgomery G.I. Bill Kicker Programs, the Vermont Army and Air National Guard Montgomery G.I. Bill programs, and the Vermont Army National Guard Minute Man Scholarship.
- Our periodic discussions and ongoing relationship with guard leadership continues to support Vermonters and their choices after high school. This past year, this partnership has supported the:
  - Continuing augmentation of VSAC resources and assets to highlight options to help pay for post secondary education through military service.
  - The opportunity for Senior Airman Banke (Crew Chief) to join the 2024 VSAC hosted Vermont Career Connect Panel. This is a virtual career panel for 7th & 8th graders across Vermont and this year SrA Banke was able to have share her story with . We had 12 schools and 300 students sign up for the live session, with the ability for all schools to watch the recording.
  - Continued tabling at some VSAC events



# Financial aid eligibility

S.191, An act relating to New American Educational Grant Opportunities provided that residents that are eligible for state financial aid programs that VSAC administers will not be ineligible solely on the basis of their immigration status under federal law - effective July 1st, 2025.

VSAC has been reviewing and evaluating its systems to determine the best path to state financial aid availability for eligible undocumented individuals over the past summer.

VSAC has been working with our School Partners and the Agency of Education's department of Migrant Education as it positions itself to support this policy.

We plan to have a fillable PDF application for state aid, in multiple languages available before July 1st

# VSAC Workforce Opportunity Loan program

Supports upskilling existing hospital staff to produce nurses.

Employer-funded loan for the balance due for tuition, fees, and textbooks. Medical centers repay the loan while the student is enrolled and working.

VSAC staff assist with maximizing federal and state aid, before issuing a loan for remaining costs.

Grew from 2 hospitals to 6 facilities (UVMMC, SVMC, Gifford, Mt Ascutney, NVRH, Cedar Hill) and from 21 nursing students to 80.





# Research & Evaluation Informing Program & Policy



RESEARCH MINUTE

## Postsecondary success among GUIDE participants

GUIDE supports students during the transition from high school to postsecondary education:



Text messaging



Help with financial aid forms



Deadline reminders



Funds for books and fees



Connection to campus resources

GUIDE students have higher rates of postsecondary enrollment and graduation:



**64%** of GUIDE students enrolled in postsecondary

Among low-income VT students\* this rate was **36%**



**44%** of GUIDE college students graduated within 4 years

Among low-income college students\* this rate was **29%**

\*Source for Vermont students' comparison data: [www.newenglandssc.org/resources/common-data-project/](http://www.newenglandssc.org/resources/common-data-project/)

GUIDE is part of VSAC's Vermont GEAR UP program that targets support to students who are first generation college going or from modest income families. Download the GUIDE report at [www.vvac.org/about/how-we-influence-policy](http://www.vvac.org/about/how-we-influence-policy)



RESEARCH BRIEF | SUMMER 2023



## The Vermont High School Class of 2022 Postsecondary Plans

### Executive Summary

Every two years VSAC conducts a survey of all high school seniors. This research brief presents findings from the Vermont Class of 2022, the most recent Senior Survey, and compares these data to that from the Classes of 2012 and 2018. This allows comparison of aspiration data from a decade ago as well as a recent class prior to the pandemic.

The purpose of the study was to gather information about seniors' post-high school plans, to determine what proportion of the class planned to pursue further education or training in the fall of 2022 and to consider changes in aspiration over time. Based on our previous research, we examined students' postsecondary aspirations through the lens of two key demographic factors: students' gender and parent educational attainment.

### These trend data demonstrate:

- a significant decline overall in students' intentions to pursue additional training or education after high school compared to prior years
- a widening of the gap in aspiration by both gender and parent education attainment since 2018
- a decline in the percentage of students reporting that their parents wished for them to continue their education. This decline differs significantly by gender and parent educational attainment and over time.

Analyses of the data for the Class of 2022 also show the effects of the COVID-19 pandemic on students' perceptions on their learning, and—for at least some students—their postsecondary plans. Lastly, we present findings about students' postsecondary plans, both those who planned to continue their studies immediately after high school and those who planned to enter the workforce.

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Research Brief  
March 2021

## SPRING ENROLLMENT PLANS DURING COVID-19

### SUMMARY

This research brief is based on data from the last in a series of surveys on the impact of COVID-19 on the postsecondary plans of undergraduate FAFSA filers in the academic year 20-21 cycle.<sup>1</sup>

Research questions included:

- What were students' plans for the spring 2021 semester?
- Did COVID-19 enrollment differ by dependency status?
- What financial impacts did COVID-19 have on them to date?

Overall, few students who applied for financial aid and took part in our survey delayed their 2020-2021 enrollment due to the pandemic. The majority of FAFSA filers surveyed in January 2021 (86%) planned to and did pursue their education plans in the 2020-2021 academic year. But the COVID-19 crisis affected many students' financial resources and may have made the postsecondary experience a difficult one. First-generation, dependent students were significantly more likely to report their parents had suffered a COVID-related financial event (63%) than dependent students from families whose parents had some level of college attainment (47%). Independent students—those who do not rely on parents for financial support – which represented about a third of those surveyed— were twice as likely to report they changed their plans about when to enroll. Independent students were also significantly more likely to report experiencing some financial burden directly associated with the COVID-19 epidemic.

Of note, the number of undergraduate FAFSA filers for the 2020-2021 cycle was down at the time we pulled our original sample (June 2020), approximately 6% lower compared to the previous year. By comparison, the number of applications filed by June 30 nationally was down 2% (National College Attainment Network). By January 2021, Vermont's FAFSA numbers were still down, but only 2% compared to the previous year. How much of this decrease in FAFSA filing was due to COVID-19 and/or other factors is unknown and is outside of the scope of this research brief. We found that first-time FAFSA filers had decreased by 9% year over year, consistent with the idea that some schools may have had trouble filling their admissions targets for first-year students for the fall of 2020. We found FAFSA filing by dependency status showed independent students slightly behind dependent students in June in number of FAFSA applications filed, but ahead of them and in the positive (3% higher than the previous year) by Jan 2021. Dependent students apply earlier (by June),



# VSAC Statewide Events

- Essential Math for College and Careers (EMC<sup>2</sup>)
- Transition and Career Conference
- Managing College Costs and Forms Nights at high schools
- College & Career Pathways
- Kingdom Career Connect
- STEM Fairs



# Other VSAC Collaborations

- Partnership with HireAbility Vermont
  - This year VSAC worked with 35 HireAbility Students from 12 high schools.
- Refugees
  - Worked with the Vermont State Refugee Office (AHS), USCRI and ECDC
  - Supported 145 new arrivals with post secondary planning
- EMC<sup>2</sup>
  - Partnered with AOE, VTSU and Highschool Math Teachers from across VT
  - Now being taught in 5 high schools to 134 students
- Workforce Opportunity Loan Program
  - Working with 6 medical institutions
  - In FY25 supported 66 students (\$980,420)
- Green Mountain Job and Retention Program
  - Collaborated with UVM
  - Impacted 411 graduates from 9 Vermont colleges or universities, over the two years
- Aspirations Partnerships
  - Currently collaborating with 4 Vermont high schools (Brattleboro, Hardwood, Missisquoi, Oxbow)



# Scaling Support to New Arrivals



- Awarded a renewed **Refugee Support Services Grant**.
- Expanded the scope of our work with Refugees from Afghan neighbors to **All refugee groups with a second grant**.
- Worked with Legislature to allow new arrivals access to Vermont Grants if they meet other residency requirements.

**VSAC Collaboration:** EOC, Grants and Scholarships, Public Affairs, Finance



# Partnership with HireAbility Vermont

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- Workshops with 9<sup>th</sup> and 10<sup>th</sup> grade students
- 4 high schools in AY 23-24, 12 high schools in AY 24-25
- Brings VSAC experience to HireAbility students.
- Brings important new expertise and experience in working with students with disabilities to Outreach and VSAC.



# After college: help is a phone call away

- **VSAC Loan Coach:** free, in-depth personalized education debt counseling.
- VSAC's **Customer Relations team** works closely with borrowers to help them understand all the repayment options available to them.



"Thank you so much. Once again, VSAC has answered my questions timely, completely and even noted my account. This has consistently been the result any time I have contacted VSAC. Clearly, other states and the USDOE should be looking to you as a model."

# VSAC Student and Parent Loans

- In FY 24 VSAC issued \$42 Million in Parent and Student Loans
- VSAC borrowers saved \$195,000 in FY24 through rebates, and more than \$183 million since 1995.

**Before You Borrow**

To minimize borrowing (and repaying), you'll first need to calculate the costs for your education. Here's how to get started.

**7 out of 10 families need loans to cover education costs.**

+ Add up your cost of attendance  
- Subtract free aid (grants, scholarships, merit aid)  
= remaining balance to cover with savings or loans

Amount you still need to cover:

Did you know:  
A federal student loan is taken out in the student's name. Maximize federal student loans first because of the repayment benefits.  
A federal parent PLUS loan is taken out in the parent's name. Pause on accepting federal parent PLUS loans to compare interest rates with other lenders.

**Focus on Rates**

In addition to federal loans, there are private loans designed for students attending school (and their parents). These are available through banks, credit unions, and state agencies like VSAC. Each lender has its own rates, so it's important to shop and compare.

What rate are you looking at?

We're trained to look for the lowest rate. But, the lowest rates aren't necessarily what you'll see once you apply.

VSAC  
Lender A  
Lender B  
Lender C

The full range will give the full picture.

Make sure you're not lured by a low rate you may not be eligible for. If the loan rate you're offered is higher than expected, stop and explore other lenders.

**Before You Apply**

**Questions to ask**

- Who is taking out the loan - parent, student or a combination?
- Do I need a cosigner?
- What monthly loan payment can I afford?
- When do I start making payments (while in school or later)?
- How long do I have to pay the loan back (loan term)?
- Is the interest rate fixed or will it change (variable)?
- Are there any fees or discounts?

Allow yourself time to compare lenders to get the best deal for your situation. You'll want to apply at least 2-3 weeks before the tuition bill is due. Although the credit approval may be quick, lenders must have your school certify loan amounts before a loan is considered complete.

Scan & learn more at [vsac.org/loans](https://vsac.org/loans)

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