



STATE OF VERMONT
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VSAC and State Treasurer Beth Pearce announce initiative to lower loan costs for Vermont parents and students

New Vermont Advantage loans will benefit from local investment financing program

WINOOSKI (May 24, 2016) – Vermont Student Assistance Corp. and State Treasurer Beth Pearce today announced that \$4 million in local investment financing will be directed to lower the fixed rates on Vermont Advantage loans for parents and students, starting at 4.8 percent, the lowest rates ever offered.

“Vermont parents and students are shouldering a bigger burden of college costs than anywhere else in the country,” Pearce said. “I can’t think of a better local financing opportunity to invest in than our own Vermonters as they pursue education and training after high school.”

Nearly 70 percent of Vermonters pursuing a bachelor’s degree have student loans; the average loan debt for a college senior is about \$29,000. Education loans are used to fund the difference between the cost of education and the various kinds of financial aid students already may receive.

“For most families, student debt is a fact of life – but it is also an investment in the future,” said Scott Giles, VSAC president and CEO. “The Vermont Department of Labor predicts that by 2020, two-thirds of all jobs in Vermont will require some education or training after high school. That may be a certificate, a two-year degree, a four-year degree or more, depending on the chosen career path. So, pursuing higher education is not a luxury. It’s a necessity.”

Vermonters collectively will save as much as \$520,000 over 15 years through the local investment financing, Giles said. “This is in addition to the \$2.6 million in borrower benefits VSAC already refunds annually.”

In addition to lower rates on education loans, VSAC’s Vermont Advantage provides borrowers with free personalized counseling on managing loan debt with one of VSAC counselors. “Managing repayment and understanding the many programs available is daunting to most students and families,” Giles said.

“We believe our borrowers will welcome this additional service. VSAC’s customer and financial support team is among the best in the industry. They are well-trained, thorough and set the standard in borrower relations.”

This is the first time VSAC has offered the Advantage Loan to parents. “Affordability is a big concern for Vermonters and the federal government is over-charging parents on its PLUS loan,” Giles said.

The funding of local investments is part of an ongoing process managed through the State Treasurer’s Office. In 2014, the Vermont Legislature passed a law that established a [Local Investment Advisory Committee](#) to provide input to the State Treasurer.

The local investments initiative aims to invest a portion of Vermont’s operating funds in Vermont communities, while earning a competitive rate of return.

The initiative redirects funds that were invested primarily in out-of-state government agency securities and money market accounts at large financial institutions to local investments.

The Treasurer’s office has committed approximately \$30 million since 2014 in energy improvements in residential housing, commercial energy projects and in the rehabilitation of state office buildings for energy efficiencies.

VSAC offers the Vermont Advantage loan for both undergraduate and graduate students and parents, who need additional financing for postsecondary education or training. Vermont students attending college in the U.S. or abroad, or parents and students from out of state attending a Vermont institution, are eligible for this financing.

For more information on education financing, visit www.vvac.org/Advantage or call 800-226-1029.

About VSAC – Changing Lives through Education and Training since 1965

Vermont Student Assistance Corporation is a public, nonprofit agency established by the Vermont Legislature in 1965 to help Vermonters achieve their education and training goals after high school. VSAC serves students and their families in grades 7-12, as well as adults returning to school, by providing education and career planning services, need-based grants, scholarships and education loans. VSAC has awarded more than \$600 million in grants and scholarships for Vermont students, and also administers Vermont’s 529 college savings plan. Share your VSAC story by email to myVSACstory@vsac.org or submit a video to [YouTube](#). Find us at www.vvac.org or check in on [Facebook](#) and [Twitter](#). *#changing lives*