



## NEWS RELEASE

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### **LPFA helps keep student loan rehabilitation program alive** LPFA to purchase total of up to \$12 million in defaulted student loans

**BATON ROUGE** — The Louisiana Public Facilities Authority and the Louisiana Office for Student Financial Aid have reached an agreement that will give more than 1,000 higher education students opportunities to rehabilitate their defaulted student loans, restore their credit, and continue financing their higher education.

Under this agreement, the LPFA will purchase from LOSFA a total of up to \$12 million in defaulted student loans belonging to borrowers who successfully complete LOSFA's Loan Rehabilitation Program. The partnership allows LOSFA to continue helping borrowers rehabilitate their defaulted student loans after Sallie Mae and a number of other lenders discontinued their participation in that market.

Borrowers who participate in the program become eligible to have their loans rehabilitated by making nine timely, consecutive monthly payments generally large enough to pay off the balance owed within a 10-year period. Once the loan is rehabilitated and purchased by LPFA, it is taken out of default and credit bureau trade lines are deleted. Successful rehabilitation of the loan also restores the ability of the individual to qualify for additional financial aid.

"We truly appreciate this assistance from the LPFA," said LOSFA Executive Director Melanie Amrhein. "It is important to keep this program going because it helps hard-working members of society to catch up on their loan payments, restore their credit status, and qualify for additional student loans should they decide to return to school."

The LPFA has had a long standing relationship with LOSFA. The LPFA in 2008 became Louisiana's student loan lender of last resort, making it responsible for supplying student loans if no other lenders are able.

"The LPFA is pleased to help ensure the availability of loans to Louisiana students both past and present," said LPFA President and CEO James W. Parks II. "Student financial aid remains a necessary vehicle to many who pursue a higher education, and we'll do what we can to help Louisiana citizens become more productive members of society who contribute to our state's economy."

The Louisiana Public Facilities Authority is a self-supporting public trust and public corporation that issues both taxable and tax-exempt bonds to finance public and private projects throughout the state. The LPFA finances industrial and economic development projects, provides low-cost funding for hospitals and hospital equipment, universities and other educational facilities, student loans and essential programs for state and local governmental units. The LPFA does not receive any funds from the state for its operations.



**Suggested caption:** The Louisiana Office of Student Financial Aid recently presented the LPFA with a resolution commemorating their long-standing relationship. The resolution was presented at a recent meeting of the LPFA Board of Trustees. Pictured are LOSFA Executive Director Melanie Amrhein, LPFA President and CEO James W. Parks II, Louisiana Student Financial Assistance Commission Chairman Travis Lavigne, and LPFA Vice President of Student Loans Tricia Dubroc.