



FOR IMMEDIATE RELEASE

## **NEWS RELEASE**

CONTACT: Keith New, 717-720-2509

[knew@pheaa.org](mailto:knew@pheaa.org)

Nicole Elbertson, 717-720-2509

[nelberts@pheaa.org](mailto:nelberts@pheaa.org)

### **AES Continues to Rank Significantly Below National Average *Default Prevention Efforts Prove Successful***

**Harrisburg, PA (November 4, 2008)** – American Education Services (AES) announced today that its cohort default rate for FY 2006 continues to rank significantly below the national average, as announced by the Department of Education, demonstrating the ongoing success of its industry-leading default prevention efforts.

AES has earned a cohort default rate of 3.4 percent for FY 2006, 35 percent below the National Default Rate of 5.2 percent.

The cohort default rate measures the percentage of borrowers who have defaulted on their student loans within 12 to 24 months of entering into repayment, which is generally six months after the borrower leaves school. When a borrower enters into default, federal taxpayers pay the consequences since the loan is federally guaranteed. AES' consistently successful cohort default rate results in savings for taxpayers year after year.

“Our professionally trained customer service representatives work closely with delinquent accounts to help them find the repayment plan that best meets their unique needs,” said Jim Preston, AES President and CEO. “By really listening to them and aptly assessing their situation, we’re able to help them avoid default on their student loans which is ultimately beneficial to everyone involved – the borrower, taxpayers, and us. Our method has proven successful time and time again, as demonstrated by our low cohort default rate.”

AES' loan counselors work with borrowers to help them find affordable alternative options for repaying their delinquent student loans. The default prevention team educates students on the benefits of maintaining good credit and the hidden dangers of default and carrying a bad credit rating.

AES' financial literacy site, YouCanDealWithIt.com, also contributes to its low cohort default rate. It provides students and graduates with practical advice and information regarding financial situations that they can expect to encounter in the "real world," including budgeting and debt management. The site is part of AES' nationally recognized default prevention awareness campaign.

# # #

#### **About PHEAA**

Created in 1963 by the Pennsylvania General Assembly, the Pennsylvania Higher Education Assistance Agency (PHEAA) has evolved into one of the nation's leading nonprofit student aid organizations. Today, PHEAA is a national provider of student financial aid services, serving millions of students and thousands of schools through its loan guaranty, loan servicing, and financial aid processing systems. As a nonprofit organization belonging to the Commonwealth of Pennsylvania, PHEAA devotes its energy, resources and imagination to developing innovative ways to ease the financial burden of higher education for Pennsylvania's students, families, schools and taxpayers.