



Sonny Perdue  
GOVERNOR



Timothy A. Connell  
PRESIDENT

September 23, 2008

Re: Georgia Student Finance Authority Borrower Benefits

Dear Colleague:

On February 1, 2008 the Georgia Student Finance Authority (GSFA) announced its borrower benefits for the 2008-2009 academic year.

Since that announcement, our nation's economic condition has continued to be difficult and uncertain. As you know, interest rates and the availability of loan capital have had a major impact on the ability of lenders to make loans available to students. These uncertain and difficult times have also had an impact on GSFA. Accordingly we reluctantly must make changes to our borrower benefits program.

Effective for loans guaranteed on or after October 1, 2008, GSFA will no longer subsidize any upfront fees for Stafford, PLUS and GRAD PLUS borrowers. We also must change our back-end repayment incentives. However for Stafford, PLUS and GRAD PLUS loans guaranteed on or after October 1, 2008 we will continue to offer a repayment incentive of a .25% interest rate reduction for auto debit of payments.

GSFA will also continue to originate and disburse student loans without delay. We do not anticipate any issues with making timely disbursements and we will continue to be able to fund student loans as requested.

And finally, please note that the Georgia Higher Education Assistance Corporation (GHEAC) will continue to pay the Federal Default Fee on a borrower's Stafford, PLUS and GRAD PLUS loans. GHEAC will pay the fee for loans guaranteed by GHEAC for all borrowers who reside in Georgia or who attend a Georgia school.

We appreciate your support during these challenging times. If you have any questions, please contact me or any member of the GSFC staff.

Sincerely,

A handwritten signature in black ink that reads 'Timothy A. Connell'.

Timothy A. Connell  
TAC:mlc