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Georgia Student Finance Commission to Pay Federal Default Fee *Students and parents to save millions on loan fees*

ATLANTA – With the economic challenges in the student loan industry and the rising cost of higher education, the Georgia Higher Education Assistance Corporation (GHEAC), the guaranty agency arm of the Georgia Student Finance Commission (GSFC), recently announced that it will pay the mandatory one-percent federal default fee on behalf of all Georgia borrowers. The policy, which will remain in effect at least until June 30, 2009, applies to all loan types at all schools and will be paid on those loans guaranteed on or after May 15, 2008.

Reaffirming its commitment to promote and increase access to education beyond high school for all Georgians, GHEAC's contribution is estimated to provide more than \$2 million in total savings to students and parents.

"In an open and competitive market environment, our goal is to offer the best loan products and services to every student at every school," said GSFC President Tim Connell. "We are committed to making college affordable for Georgians, and paying the federal default fee for borrowers is another example of our dedication to helping students succeed."

About Georgia Student Finance Commission

Since 1965 the Georgia Student Finance Commission (GSFC) has provided more than \$9 billion in financial aid to help nearly two million Georgians achieve their dreams of higher education. GSFC funds and services 15 different low-interest education loan programs including Stafford and PLUS loans, consolidation loans, and state service-cancelable loans. GSFC also administers multiple scholarship and grant programs, including the nationally acclaimed HOPE Scholarship and Grant Program. Additional information about GSFC products and services is available at www.gsfc.org or (800) 505-GSFC (4732).

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