

**CONTACT: Cate Rysavy**, LSS Financial Counseling  
651.255.2405  
[cate.rysavy@lssmn.org](mailto:cate.rysavy@lssmn.org)

**Jackie Nelson**, LSS Communications Office  
651.969.2286  
[jackie.nelson@lssmn.org](mailto:jackie.nelson@lssmn.org)

## **New student loan repayment counseling available in Minnesota**

(November 30, 2015) – Minnesota, which ranks 5<sup>th</sup> in the nation for student debt, is taking action to help student loan borrowers who are struggling to make their payments.

To help student loan borrowers and their families, LSS Financial Counseling received a two-year grant from the Minnesota Office of Higher Education – funding authorized with bipartisan support by the Minnesota legislature — to provide student loan repayment counseling to Minnesota residents. The new program will provide guidance to Minnesota residents who are repaying their federal, state, and/or private student loans, but have missed a payment or two. Efforts will be aimed at reducing default rates at Minnesota schools, improving credit scores and overall financial literacy while repaying student loans.

In Minnesota alone, more than 15,000 students defaulted on their federal student loans in 2012. The Federal Reserve Bank of St. Louis estimates the true national default rate at 31% of all graduates.

Student loan debt is a major challenge for individuals the moment they graduate, said Cate Rysavy, senior director for LSS Financial Counseling. “The repercussions

often prevent borrowers from successfully pursuing their career and life ambitions,” she said. “This is especially true for students coming from low income families that were not able to contribute more generously to their student’s education, leaving the majority of the college costs to fall in the hands of the student.”

Large loan payments and defaults can also have a negative impact on Minnesota’s economy, Rysavy added. Student loan payments leave less room for borrowers to invest in other expenses including renting apartments or buying homes, making car payments, paying household bills, and establishing small businesses.

LSS Financial Counseling has provided Student Loan Borrower Repayment Counseling to hundreds of students through a pilot project that began in 2012. The new program will provide an objective resource to help student loan borrowers in the following ways:

- Explore **available repayment options and potential solutions**. Many borrowers are simply unaware of available repayment options that may provide a more manageable monthly payment schedule than a borrower’s current repayment plan.
- Determine an individual borrower’s **eligibility** for these options.
- Provide assistance in **establishing a budget** to cover monthly expenses, **including federal, state, and private** student loan repayment.
- Attempt to contact private lenders to determine **possible repayment solutions**.



# LSS Financial Counseling **Conquer Your Debt**®

ConquerYourDebt.org

- Help student loan borrowers in repayment **avoid defaulting** and suffering the related consequences.

**There is no charge** to borrowers who are counseled through this service. LSS financial counselors are certified through the National Foundation for Credit Counseling (NFCC) and will aim to empower borrowers to take action and improve their overall finances, with a special focus on bringing student loan repayment current and preventing default.

Borrowers will work with their financial counselor to develop a personalized action plan with specific steps to improve their situation. The action plan includes budget, credit, and debt advice while also addressing any underlying issues that may stand as barriers to achieving financial and repayment goals. Services are available via in-person counseling, over the phone, or via Skype. For more information, call 888.577.2227 or visit [www.ConquerYourDebt.org](http://www.ConquerYourDebt.org).