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Connecticut Higher Education Supplemental Loan Authority (CHESLA) Makes New Student Loan Refinancing Product Available to CT Borrowers

Father, Son Team Describe Their Education Debt as Typical Example of Challenge Facing CT Families

June 30, 2016 - Hartford, CT – During a press conference at the Connecticut Higher Education Supplemental Loan Authority (CHESLA) headquarters, CHESLA Executive Director Jeanette W. Weldon, State Treasurer Denise L. Nappier, Majority Leader Joe Aresimowicz and Representative Matthew Lesser (D-Middletown) discussed concerns over rising student loan debt. These state officials came together to support CHESLA in unveiling a new student loan refinance program called Refi CT.

Ralph Belvedere, Jr. and his son Ralph Belvedere spoke of the hardship that the cost of higher education creates for families. “If it weren’t for programs like CHESLA and the fact that our children were born years apart, it would not have been possible to educate both of them. Today, we are proud that they have both done exceptionally well and are able to pay off their debt,” said Ralph Belvedere, Jr.

Other quotes include:

Governor Dannel P. Malloy:

“We have one of the most educated workforces in America – and we need to keep it that way. As we deliver record high graduation rates in our high schools, we need to ensure that residents have access to affordable higher education. It’s central to growing our middle class. College should not – and cannot – be out of reach for Americans,” Governor Malloy said. “Student loans and the high student debt carried by the average American threatens to be the next major debt crisis in the United States. We are taking action to fight that trend.”

State Treasurer Denise L. Nappier:

“The challenge of financing college education is daunting, and the need to reduce student loan debt has never been more pressing. Amassing college credits is like building a solid bridge to a bright future. But amassing educational loans, let alone credit card debt – some of which is used to help cover the cost of college - creates a detour away from that bright future. That’s why this student loan refinancing program is so important – it will provide the potential for college graduates to get on a secure, financially and professionally rewarding path, which is also a key factor in the future economic success of our State.”

“What’s more, the money for this program comes from the Connecticut Student Loan Foundation – no General Fund dollars are required, an added plus with the State facing such tough fiscal times,” Treasurer Nappier said.

CHESLA Executive Director Jeanette W. Weldon:

“Most Americans rely on student loans to finance their higher education and so it’s important to ease the burden of debt for them. We are proud to be one of a few states in the country to offer a state-led refinancing program. CHESLA’s unique role as a state-backed non-profit lender allows us to offer products at attractive interest rates and terms. Because of the

support of our colleagues in the Governor's office, Office of the Treasurer, and the legislature, we are able to find ways to make financing a higher education more manageable.”

Majority Leader Aresimowicz:

“CHESLA's new pilot program is yet another great step in our campaign to make college more affordable for Connecticut's students and their families,” said Majority Leader Joe Aresimowicz (D-Berlin/Southington). “Over the past few years, I've been working tirelessly to explore all available opportunities to lessen the burden of student loan debt so our students can continue to pursue higher education without having to sacrifice or delay major life decisions. I appreciate CHESLA stepping up to the plate with an option that will help to further reduce that burden.”

Representative Matthew Lesser:

“This program may be the most important legislation I've worked on in the General Assembly. The ability to refinance student loans is critical to reducing debt for Connecticut families. For many families, the crushing burden of student debt makes it harder to buy a house or start a business, and even eats into retirement savings. Having the opportunity to refinance loans will make Connecticut attractive to young professionals and a more competitive state.”

There are two ways that a borrower can be eligible for a Refi CT loan: 1) they can be a Connecticut resident seeking to refinance a CHESLA loan or an eligible Federal or private student loan, or 2) the borrower can reside outside of Connecticut and be seeking to refinance a CHESLA loan. The program also allows a borrower to refinance parent PLUS loans taken on their behalf while in school. Loans offered through Refi CT will have the option for a 5, 10, or 15 year term and will carry a fixed interest rate as low as 4.25%, including a 0.25% ACH interest rate reduction. There is no application fee and no origination fee. Applications can be submitted anytime at www.chesla.org.

CHESLA was created by the General Assembly in 1982 to help students and their families meet the costs of higher education. CHESLA is a supplemental loan source for students who need to finance a portion of their education after other financial aid (including Federal loans) is considered. With Refi CT, CHESLA will also serve borrowers who are no longer students, but who are working to repay their student loans. CHESLA is dedicated to helping families finance the cost of higher education. Since 1985, CHESLA has originated approximately 43,365 loans totaling \$420,336,485.