



MISSOURI SENATE

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JEFFERSON CITY

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Senate Supports Sen. Mayer's Measure to Increase MOHELA Loan Offerings

JEFFERSON CITY – The Senate this week gave full approval to a bill proposed by Sen. Rob Mayer, R-Dexter, that will allow the Higher Education Loan Authority of the State of Missouri (MOHELA) to expand its student loan offerings by allowing the state student loan organization to serve as the original source for federal Stafford loans.

“This measure will allow MOHELA to loan up to \$200 million dollars per year to students seeking funding to further their education,” Sen. Mayer said.

Currently, MOHELA is one of the only state-based student loan lending institutions in the country that does not originate, or serve as the original funding source for federally-guaranteed Stafford loans. Other federal loans are available under the same Federal Family Education Loan Program (FFELP), but MOHELA is not currently authorized to originate Stafford loans.

Federal loans are generally the most affordable loans available to students with the best interest rates and deferred payments until after graduation. By allowing MOHELA to expand its current offerings, students approved for Stafford loans can choose MOHELA from among a list of eligible lenders.

Sen. Mayer's Senate Bill 967 now moves to the House for similar consideration.

“This levels the playing field for college loans,” Sen. Mayer said. “The measure will also help maintain and ensure MOHELA's long-term financial ability and availability of low-cost student loans to Missouri students and families to help them achieve their education goals.

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Senator Rob Mayer represents the people of Wayne, Ripley, Butler, Stoddard, New Madrid, Pemiscot and Dunklin counties in the Missouri Senate.