

Managing Your Finances



Loan Consolidation Can Help Grads Increase Cash Flow

(NAPSA)—There's good news for recent college grads who are still looking for a foothold in the job market. Those with money worries may find that consolidating their federal student loans into one fixed-rate loan can be a relatively easy way to increase their "cash in hand." Consolidation may reduce student loan monthly payments by up to 60 percent.

A federal consolidation loan is part of the family of loans available under the Federal Family Education Loan Program (FFELP) as authorized by the federal government. A consolidation loan allows recent college graduates to consolidate all or some of their outstanding education loans into a single new loan, even if their loans are held by more than one lender and are of different loan types.

Consider the following: A college graduate with \$20,000 in federal student loan debt and an interest rate of 8.25 percent would have a monthly payment of \$245. By combining the loans into a 2.875 percent fixed-rate consolidation loan, the monthly payment would drop to \$192.

Some plans offer even more savings. For example, with a loan from a company called Student Loan Xpress, that number can drop even lower, as borrower benefit programs will reduce a new graduate's interest rate to as low as 1.625 percent—the lowest rate in the history of the federal consolidation program.

Borrowers who have been out of school longer than six months can also benefit from historically low rates—as low as 2.125 percent



A consolidation loan allows recent college graduates to consolidate all or some of their education loans into a single new loan.

with a consolidation loan from Student Loan Xpress.

While lower student loan interest rates help all students, they are an especially welcome gift for graduates who are eligible to consolidate their loans. According to the Department of Education, about 7 million students and their parents take out \$50 billion in federally backed loans each year.

"Now is definitely the time to consolidate," said Fabrizio Balestri, president and CEO of national student loan provider Student Loan Xpress, Inc., a subsidiary of Education Lending Group, Inc. "With a low fixed rate and repayment options to fit any situation, a consolidation loan is often one of the best financial decisions a new graduate can make."

For more information on consolidation loans, visit www.studentloanxpress.com and click on "Student Loan Consolidation," or call toll free: 888-290-3078.