

When Securing A Student Loan, Going Direct Is The New Reality For Savvy Students And Parents

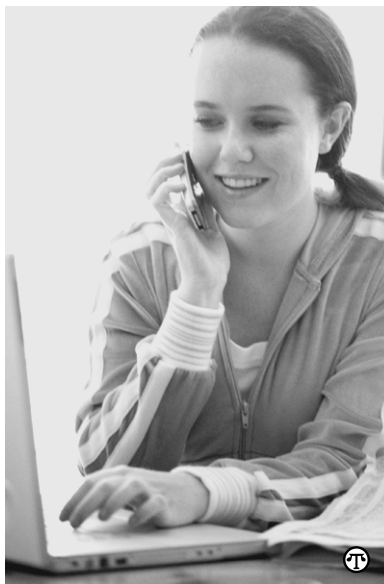
(NAPSA)—The government introduced student lending as a means of paying tuition and other college-related expenses 41 years ago. Since then, students have routinely relied on the financial aid office at their school to make critical decisions regarding their future student loan debt. However, a lack of control over these decisions, compounded by the rising costs of higher education, has led to a national student loan debt dilemma.

Up to 90 percent of students require some kind of financial aid to pay for education. While the average student will leave school with approximately \$20,000 of loans to repay, that number skyrockets for those seeking graduate and professional degrees. Today, young college graduates are forgoing or postponing major life decisions—such as marriage, children and real estate purchases—in order to pay down their student loan debt.

Student loan company MyRichUncle launched a campaign earlier this year to encourage greater consumer awareness about the student loan industry—in particular, the areas that directly affect students. “It Matters Now,” a core company belief, stresses one important point: The choices made today about student loans could negatively impact a student’s future.

Direct-to-Student Lending

With other industries, cutting out the middleman has proven effective in forcing companies to



compete for business. Now, the direct-to-consumer concept is gaining momentum in the student loan arena.

There are several advantages to direct-to-student lending, namely:

- The lender list a financial aid office provides could lead students to unwittingly pay a premium for their loans. The best-priced lenders may not be included on these lists, based on a school’s preference and other variables.

- What’s more, rates and borrower benefits can change at any time and it is unlikely a financial aid office can be kept apprised of the absolute best rates all the time.

- Schools do not spend enough time researching lenders’ offerings. Bypassing the financial aid

office and going direct allows students to control the loan process and consider all options.

- By comparing lender against lender, you, the consumer, will encourage a more price-competitive market to evolve.

“Shop around. Compare offers. The consumer is the best manager in preventing a future financial pitfall,” said Raza Khan, MyRichUncle president and co-founder. “Our customers shop direct and realize a substantial savings on their loans because of it.”

Know Your Options: Federal and Private Student Loans

Federal loans include subsidized (when the government pays the interest on a loan while the student is in school) and unsubsidized Stafford Loans and Parent Loans for Undergraduate Study (PLUS). MyRichUncle is the first to introduce price competition on federal loans—cutting the rate on these loans by up to 2 percent. This can ultimately save a student thousands of dollars over the long run.

The fastest-growing segment of financial aid is private student loans, another area where going direct is the best route for students to secure the best rates. MyRichUncle provides loan options that are both competitively priced and innovative, in order to fund the widest demographic of borrowers, including those with little or no credit history.

For more information, visit www.MyRichUncle.com.