

Last-Minute College-Financing Options For Undergraduates Still Available

(NAPSA)—As a new academic year approaches, where can undergraduate students and families turn if they have last-minute financing needs?

The first step is to investigate funding options that do not need to be repaid, such as scholarships and grants, says Martha Holler, spokesperson for Sallie Mae, the nation's leading provider of education funding. Once those avenues are exhausted, an education loan can help. Federal Stafford loans are the most common type of student loans for undergraduate and graduate borrowers.

A Federal PLUS loan is another way to bridge the college-financing gap. PLUS Loans, which are not based on income or assets and do not require collateral, are the lowest-cost way for parents to finance their child's education, allowing them to borrow as they need, including money for tuition, room, board, books, supplies and even travel, to cover the cost of attendance at their child's college of choice.

"Parents can borrow for college, but they cannot borrow to pay for their retirement," explains Holler. "Most families qualify for PLUS Loans and everyone gets the same low-interest rate, regardless of their credit history."

Many families turn to private education loans for last-minute college-financing needs. Interest rates and fees are based on credit



history, so the better the student's or co-signer's credit, the lower the interest rates and fees.

Students and families are encouraged to explore whether their school offers the option of making monthly tuition payments over the course of the school year. This is an interest-free alternative to making large, one-time payments due at bill time. For a small fee, families can reduce the amount they need to borrow to cover the cost of college. The campus bursar or financial aid office can provide additional information.

"Finding last-minute money to pay for college is doable, and parents don't have to take a second job or another mortgage on their home to accomplish it," adds Holler.

For more information on last-minute college-financing options, you can visit Sallie Mae's award-winning planning and paying for college Web site, www.CollegeAnswer.com. Students and families will find a number of resources and information, including tips on reducing college costs.



Note to Editors: This article is one in a series of articles on college preparation and financing from Sallie Mae, the nation's leading provider of education funding and the largest consolidator of student loans.