



# COLLEGE PLANNING



## Time Is Running Out: Save Thousands With Federal Student Loan Consolidation Before July 1

(NAPSA)—Are you a college student or a recent college graduate with student loans? Do you know that student loan interest rates are expected to increase almost 40 percent on July 1?

Fortunately, you still have a chance to save money and consolidate your student loans into one fixed-rate loan.

Federal student loan consolidation allows students and families a chance to reduce monthly payments and lock in low interest rates—potentially saving thousands of dollars over the life of the consolidation loan.

According to Nelnet, a leading education finance company, a student in college with a \$20,000 balance and 20-year consolidation term can save more than \$5,000 in interest by consolidating before the July 1 deadline. In addition to interest saved, student borrowers will also reduce their monthly payment by up to \$22 by locking in the lower interest rate.

“To take advantage of this money-saving opportunity, students and new graduates need to act soon,” said Tim Bornemeier, Managing Director of Nelnet Consumer Solutions. “Consolidating your student loans is an effective debt management tool that can save you thousands of dollars if you complete and return an application before the rates rise on July 1.”

Student loan consolidation combines multiple federal student loans, such as Stafford and PLUS loans, into one loan with one low

monthly payment. The fixed interest rate for a federal student loan consolidation is determined by taking the weighted average of the interest rates of the original student loans, rounded up to the nearest 1/8 percent. The fixed interest rate cannot exceed 8.25 percent.

“This is the last hurrah for in-school borrowers,” added Bornemeier. “After July 1, a change in the consolidation program states that in-school borrowers will have to wait until they graduate or drop to less than half-time enrollment to consolidate, forcing them to risk higher interest rates and pay more for their education.”

“We [at Troy University] strongly urge all eligible students to consolidate before the July 1 interest rate change,” said Fred Carter, Associate Vice Chancellor of Financial Aid at Troy University. “This allows them to get the lowest possible monthly payment, a fixed interest rate, and the opportunity to save thousands of dollars in interest payments. Many of our students still repay within the 10 years, but consolidation affords them the opportunity to lock in the lowest possible rate over the longest time.”

To learn if student loan consolidation is right for you, please contact a Nelnet Consolidation Advisor via e-mail or Web chat at [www.nelnet.net/save](http://www.nelnet.net/save) or call toll-free 24 hours a day, seven days a week at (866) 4CONSOL (426-6765).