

COLLEGE LOANS

Consolidating Student Loans Today Will Pay Off Later On

(NAPSA)—Students who graduate this year may be in for a bonus, so too are parents who've taken out a PLUS Loan. That bonus amounts to thousands of dollars in savings when borrowers consolidate their student loans and lock in today's record-low interest rates before June 30, 2005. On July 1, interest rates on federally guaranteed, variable-rate Stafford and PLUS loans will be reset and those new rates are likely to increase.

"Borrowers who are considering loan consolidation have the ideal opportunity to do so today, when interest rates are at their lowest levels ever," says Patricia Scherschel, Sallie Mae Loan Consolidation Product Executive. "Anyone who applies for consolidation no later than June 30, 2005 will lock in today's low rates and put money back into their pocket."

A Federal Consolidation Loan offers student and parent borrowers several benefits, including reduced monthly student payments by up to 50 percent or more; today's record-low interest rates—rates as low as 2.875 percent; and the ability to combine all eligible student loans, including Perkins loans, into a single loan with just one monthly payment.

Interest rates on Federal Consolidation Loans are calculated by taking the weighted average of the interest rates of the loans consolidated, adjusted up to the nearest 0.125 percent. Federal Consolidation Loans are subject to a cap of 8.25 percent. Unlike variable-



Smart students and their parents are consolidating college loans now before interest rates go up.

rate Federal Stafford and PLUS Loans, Federal Consolidation Loan interest rates are fixed for their lifetime.

Additional Benefits

Students can reduce their consolidation interest rate even more by consolidating their Stafford and other eligible federal education loans under Sallie Mae's SMART LOAN Consolidation Account, where they can reap additional savings of .25 percent for direct debit and 1 percent for 36 months of on-time payment. To get started, borrowers should contact a loan consolidation expert at 1-800-448-3533.

"The key is for borrowers who are thinking about loan consolidation to do their homework now. Take advantage of the savings offered by today's low interest rates," says Scherschel.