

Student Loan Consolidation (New)

CONSOLIDATION INFORMATION

Loan Consolidation rates are at the lowest level in the history of the federal loan program. On July 1, 2005 when the new consolidation interest rate is announced, we expect that it will change from 2.80% to as high as 4.00% or 5.00%.

The Center for Student Financial Aid strongly encourages our graduating students to research and consider consolidating their loans. If you expect to graduate prior to July 1, 2005, please contact the Direct Loan Servicer at www.dlservicer.ed.gov/consolidatenow/welcome.asp

Even if you will not graduate this year, consolidation may still be the right option for you. The deadline to lock in the low rate is June 30, 2005.

Tips for Continuing DIRECT LOAN Borrowers (as of Spring 2005)

1) CONTACT THE DIRECT LOAN SERVICER:

<http://www.dlservicer.ed.gov/consolidatenow/welcome.asp>

or Toll free: 1-800-557-7392

and REQUEST AN "IN-SCHOOL" CONSOLIDATION FOR YOUR VARIABLE RATE LOANS!!!! ACT RIGHT AWAY – THE DEADLINE TO LOCK IN THE CURRENT LOW INTEREST RATE IS JUNE 30, 2005.

2) YOU CAN CONTINUE TO BORROW TO PAY FOR COLLEGE and you can consolidate additional loans in the future, either as a separate consolidation or as an add-on to the current consolidation.

3) WHEN YOU FINALLY LEAVE SCHOOL, THE CONSOLIDATION LOAN THAT YOU ARE MAKING NOW WILL HAVE A GRACE PERIOD, after which YOU WILL BE EXPECTED TO START REPAYMENT UNLESS YOU QUALIFY FOR AN UNEMPLOYMENT OR HARDSHIP DEFERMENT, OR UNLESS YOU REQUEST AND RECEIVE A FORBEARANCE.

Tips for GRADUATING DIRECT LOAN Borrowers (as of Spring 2005)

1) CONTACT THE DIRECT LOAN SERVICER:

<http://www.dlservicer.ed.gov/consolidatenow/welcome.asp>

or Toll free: 1-800-557-7392

and REQUEST A CONSOLIDATION FOR YOUR VARIABLE RATE LOANS!!!! ACT RIGHT AWAY – THE DEADLINE TO LOCK IN THE CURRENT LOW INTEREST RATE IS JUNE 30, 2005.

2) YOU CAN CONTINUE TO BORROW IN THE FUTURE TO PAY FOR GRADUATE OR PROFESSIONAL SCHOOL and you can consolidate additional loans in the future, either as a separate consolidation or as an add-on to the current consolidation, but subsequent consolidations will be at the weighted average of the interests rates associate with the underlying loans that are in effect at the time, rounded up to the nearest 1/8th.

3) IF YOU ENTER GRADUATE OR PROFESSIONAL SCHOOL PRIOR TO THE EXPIRATION OF YOUR GRACE PERIOD, YOU WILL GET ANOTHER FULL GRACE PERIOD WHEN YOU LEAVE SCHOOL.

4) WHEN YOU HAVE EXAUSTED YOUR GRACE PERIOD, YOU WILL BE EXPECTED TO START REPAYMENT UNLESS YOU QUALIFY FOR AN UNEMPLOYMENT OR HARDSHIP DEFERMENT, OR UNLESS YOU REQUEST AND RECEIVE A FORBEARANCE.