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New Low Interest Rates Make Student Loan Consolidation Attractive
Borrowers Can Learn More During A Free Online Chat Event on June 8

EUGENE, Ore. (6/4/04) – With interest rates on student loans dropping to 35-year lows, borrowers are taking a new look at loan consolidation. While each individual's rates will be different, based on the type of loan and when it was made, some students could have fixed rates as low as 2.875 percent if they consolidate during their six-month grace period or 3.375 percent if they wait until after the grace period. Parents with PLUS loans may be able to consolidate at 4.25 percent.

“With talk going around that the Federal Reserve may raise rates later this year, consolidating loans now could be a real money-saver for some students,” said Jeff Svejcar, executive director of the Oregon Student Assistance Commission (OSAC), which guarantees student loans for many Oregonians. “However, consolidation isn't for everyone. We encourage students to review all their options before signing on the dotted line.”

Consolidation allows borrowers to turn their variable rate loans into fixed rate loans, and allows for an extended repayment period from the standard 10 years to up to 30 years. The current rates for Stafford and PLUS loans will be in effect on July 1, 2004, and are adjusted every year on July 1, based on the yield of three-month Treasury bills auctioned in the last week of May.

Borrowers have a unique opportunity to learn more about loan consolidations in a free online chat on Tuesday, June 8 from noon – 1 p.m. The chat can be accessed at <http://mapping-your-future.org>. Staffed by financial aid counselors from around the country, the chat is an opportunity for participants to gain an unbiased understanding of loan consolidation.

Students and their families will learn more about:

- Advantages and disadvantages of loan consolidation programs
- How to determine if loan consolidation is a good option
- Eligibility requirements
- Steps to apply for loan consolidation
- Other resources of information

Anyone with Internet access can join in the chat event. Mapping Your Future, a public service web site providing college, career, and financial aid information and services, is sponsored by the Oregon Student Assistance Commission and other participants in the Federal Family Education Loan Program (FFELP).

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