

MONEY MATTERS



School's Never Out For This Student Loan

(NAPS)—There's good news for students and parents who need money for college—even if the semester has already started. And it doesn't have to involve a credit card.

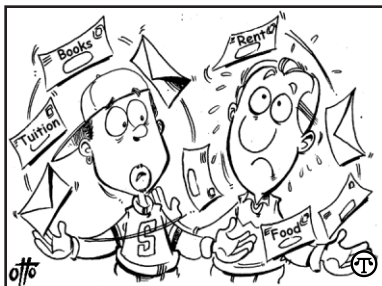
Every year many students miss federal loan deadlines or run out of money in the middle of the semester or school year. While some students and parents use credit cards to pay bills and even borrow equity out of their home, there are other payment options and low-cost education funds available throughout the year, if you know where to look.

Families who have filled out the Free Application for Federal Student Aid (FAFSA), may be eligible for a Federal Parent Loan for Undergraduate Students (PLUS), a low interest loan for parents of undergraduate students whose child is enrolled in school at least half-time.

It is never too late in the school year to fill out the FAFSA form. The FAFSA can be submitted even though school has started. It's possible to download the FAFSA form at www.nextstudent.com.

According to Mary Jo Lambert, senior vice president of educational lending for NextStudent, federally funded education loans are one of the smartest ways to pay for college—and most families qualify.

"Federal loans are at the lowest interest rates our country has seen in 38 years," said Lambert.



Many students and parents have to perform a real juggling act to cover college costs, such as tuition, books, computers and living expenses.

"What's more, education loans are tax deductible and eligible for consolidation after the loan has been fully disbursed. In other words, if you want to extend the payments to make them fiscally manageable you can. The government gives a borrower up to 30 years to pay them off—all with no prepayment penalty."

The PLUS Loan enables parents with good credit histories to borrow federally guaranteed money to cover the total cost of undergraduate attendance including: tuition, room and board, supplies, lab expenses, travel, etc., less any other financial aid the student may have received.

If your child did not receive any aid, then you can borrow the entire amount for educational expenses with a PLUS Loan.

Filling The College Funding Gap

A study funded by Upromise indicates that education grants and aid, including federal student loans, pay for only 50 percent to 60 percent of total college expenses.

Parents who have applied for a federal loan—and still need to fill the gap between aid and bills—might consider a private education loan.

Private loans offer competitive interest rates from about 4.99 percent for undergraduate to 5.28 percent for graduate loans through NextStudent and many have the same benefits that federally funded loans have, including:

- The interest is tax deductible
- Students have no payment until graduation on a private education loan
- There are private loans for K-12, undergraduate, graduate and continuing education
- No prepayment penalties

"Alternative sources of college funding have become especially important this school year because so many colleges and universities have increased tuition to make up for state budget cuts," Lambert said. "Our low interest private loans can help fill the gap that scholarships and federal aid don't cover."

To learn more about PLUS and private loans, call NextStudent toll-free 1-800-799-7349.