

# CONSOLIDATE, CONSOLIDATE, CONSOLIDATE!!!

- Tired of keeping up with multiple different student loans that could be with different lenders?
- Tired of making several student loan payments every month?
- Would you like to lower your monthly student loan payments?

If you have answered yes to any of the above questions then you should look into consolidating your Student Loans with a Federal Consolidation Loan. Keep reading to see if this is something that could benefit YOU.

## ***Federal Consolidation Loans***

### ***Program Type***

Federal Family Education Loan Program (FFELP)/Direct Lending

### ***Purpose***

The Federal Consolidation Loan Program was established to help people who borrowed money from multiple lenders or borrowed a large amount to finance their college education, who then find it hard to make the required monthly payments. If you are having trouble making the scheduled payments on your education loans, a consolidation loan might be the solution. A consolidation loan:

- Reduces the number of loan payments you must make each month;
- Lowers your total monthly education loan payment amount;
- Sets a fixed interest rate for the life of the loan;
- Extends your repayment period;
- Can help you avoid loan default and/or poor credit rating;
- Offers several repayment options including level payments, graduated, and income sensitive repayment plans;
- Charges no origination fee or service charge;
- Allows you to consolidate student loans from multiple lenders into one easy to manage loan;

Loan consolidation is not for everyone. Remember, even though you will have lower monthly payments, an extended repayment period will increase the total interest charges over the life of the loan. You can, however, make early payments on your loan at any time without penalty, which can save you money.

## **Value**

- The interest rate on your consolidation will be a fixed rate based upon the weighted average of all the loans to be included in the consolidation loan.
- The new interest rate will be fixed for the life of the loan.
- The length of your repayment term will be based upon the total education loan indebtedness as indicated on your application. The available terms are as follows:

<b>Education Debt</b>	<b>Repayment Period</b>
\$7,500.00 - \$9,999.99	12 years
\$10,000.00 - \$19,999.99	15 years
\$20,000.00 - \$39,999.99	20 years
\$40,000.00 - \$59,999.99	25 years
\$60,000.00 and above	30 years

Loans that can be included in the consolidation loan are:

- Subsidized Stafford Loans
- Unsubsidized Stafford Loans
- Federal SLS Loans
- PLUS Loans
- Stafford Service Cancelable Loans
- Perkins Loans
- Federal consolidation loans\*
- And other Federal Education Loans

\*Federal consolidation loans can only be included if you have at least one other eligible loan made before or after the existing consolidation loan that will be consolidated.

## **Loan Disbursement**

Once the loan is approved, the proceeds from your Federal Consolidation Loan will be sent directly to your lender or lenders. Shortly after disbursement, you will receive a Loan Guarantee and Disclosure Statement outlining the new loan amount, interest rates, monthly payment, and other terms.