Loan consolidation now means saving later

Interest rates on variable rate education loans are on the rise. The opportunity exists — even for education loan borrowers still in school — to take advantage of securing financial savings on their student loans.

The U.S. Department of Education, Direct Consolidation Loan Program offers two unique consolidation programs in ONE!

♦ In-School Consolidation: Eligible student loan borrowers can consolidate their loans before leaving school. Borrowers will still receive a grace period and continue to qualify for all standard Stafford Loan entitlements (such as deferment and forbearance).

♦ Regular Consolidation: After borrowers leave school and enter repayment, they may consolidate one or more of their FFEL or Direct Loans.

Electronic Debit Account (EDA) — Additional Savings For Borrowers!

If a borrower entering repayment takes advantage of the EDA repayment offer, they will be able to reduce their consolidated interest rate by an additional ¼ percentage point. EDA provides a secure, easy and cost-saving alternative to repaying future monthly payments.

For more information about consolidation visit www.loanconsolidation.ed.gov or call 800.557.7392 (TDD 800.557.7395)

To download all documents on this CD ROM directly from our website, please click here or go to http://schools.dlisonline.com/kits/lckit-2006.zip.
ELIGIBLE LOAN TYPES
- Federal Family Education Loan (FFEL) Program Stafford Loans, formerly called Guaranteed Student Loans (GSL)
- Direct Loans
- Federal Insured Student Loans (FISL)
- Federal and Direct Consolidation Loans
- Supplemental Loans for Students (SLS), formerly called Auxiliary Loans to Assist Students (ALAS) and Student PLUS
- Federal and Direct PLUS (parent loans)
- Health Education Assistance Loans (HEAL)
- Health Profession Student Loans (HPSL), including Loans for Disadvantaged Students (LDS)
- Nursing Student Loans (NSL)
- Perkins Loans, formerly called National Defense or Direct Student Loans (NDSL)

THREE EASY WAYS TO APPLY
**Online** Visit [www.loanconsolidation.ed.gov](http://www.loanconsolidation.ed.gov) to complete and submit an application online. Borrowers can also sign their Promissory Note ‘electronically’ with our unique electronic signature process.

**Paper** Borrowers can complete a paper application and Promissory Note and mail to the Loan Consolidation Center at U.S. Department of Education, Consolidation Department, P.O. Box 242800, Louisville, KY 40224-2800.

**Phone** Borrowers consolidating a Direct Loan(s) only can call 800-557-7392 to apply. We will mail the Promissory Note for the borrower to sign and return to the Loan Consolidation Center.

FLEXIBLE REPAYMENT OPTIONS
The Direct Consolidation Loan Program offers four repayment plans.

- **Standard**: For borrowers who want the convenience of a consistent monthly payment. The repayment period extends up to 10-years and the actual repayment term is based on the consolidation loan amount. The standard repayment option is the least expensive option.

- **Extended**: For borrowers seeking to reduce their monthly payments. Payment terms extend up to 30-years depending on the total indebtedness. Total indebtedness is the amount of education debt, including loans not consolidated. This option results in higher overall costs of borrowing, but may reduce borrowers’ payment amounts significantly.

- **Graduated**: Borrowers start with a lower payment that increases every 24-months. Under this plan, payments increase gradually as a borrower’s income increases. Payment terms extend up to 30-years depending on total indebtedness. This option also results in higher overall costs of borrowing.

- **Income Contingent Repayment (ICR)**: Payments are based on family income and size, which is re-evaluated annually. This option is available only to student loan borrowers and enables these borrowers to better match their education loan payments to their incomes. The maximum repayment term is 25-years. Even though this option is the most expensive option in the long term, it is a good way to avoid default.

What is a weighted average interest rate?
This interest rate is the fixed interest rate for a borrower’s consolidation loan based on the amounts and interest rates of the loans selected for consolidation. This interest rate is rounded up to the nearest 1/8 percentage point and will never exceed 8.25%.