Recent college graduates benefit from low student loan interest rates

(Lincoln, NE) - - Students graduating from college this summer will be able to consolidate their federal student loan debt for as low as 2.875%.

The Federal Reserve announced today that student loan interest rates have dropped to the lowest rate in decades. Student loan rates are adjusted annually based on 91-day Treasury bills. The rates are released at the end of May and are effective on July 1.

Beginning in July, borrowers can consolidate their student loans and lock in a record low interest rate for the entire life of their loan. The new student loan interest rates vary depending upon the year the loan was issued, type of loan, and the borrower's repayment status. For example, student borrowers who have recently graduated and are still in their grace status can consolidate their loans for as low as 2.875%. Borrowers who are already in repayment can fix their consolidation loan rate for as low as 3.5%. Parent borrowers will also benefit with a fixed rate as low as 4.25%. These new rates are more than a half-percentage point lower than the current rates.

The new interest rate reduction can literally save borrowers thousands of dollars in student loan repayments. A borrower who consolidates with a $25,000 loan, repaid over 20 years, would save nearly $2,000 in interest after July 1.

"Borrowers haven't seen this low of a student loan interest rate in over 37 years," remarked Don Bouc, President of Nelnet (National Education Loan Network) and the company's chief spokesperson. Bouc further added, "To give borrowers some perspective, student loan interest rates haven't been this low since the Eisenhower administration."

Nelnet is one organization which assists students with education financial services. With over two decades of experience in education finance, the company provides consolidation incentives for on-time and electronic payments that could further reduce a borrower's interest rate an additional 1.25%.

Borrowers who submit their consolidation loan applications can be assured they will receive the lowest available interest rate come July 1. Nelnet, like most consolidation companies, is accepting applications now and will disburse the new consolidation loans after July 1 so borrowers can take advantage of these historic low rates. Nelnet provides free assistance in calculating loan balances with the new interest rate and extended repayment terms and may be reached at 1.866.485.3366 or online at www.flexloan.nelnet.net.