



Nelnet Offers Student Loan Consolidations

Student loan interest rates have fallen to record lows. For many borrowers, taking advantage of the new rates and loan consolidation options will noticeably decrease monthly payments.

A leader in education finance, Nelnet (National Education Loan Network) has added staff and extended hours to accommodate increased demand in borrower consolidations. "The advantage of consolidating a student loan can be compared to the advantage of refinancing a home mortgage or car loan. As a consumer, it makes good business sense to take advantage of lower monthly payments by locking in a lower rate" commented Don Bouc, president of Nelnet. "There's also the added benefit of having only one monthly payment, as compared to two or more."

The new rates vary depending upon the year the loan was issued. Borrowers who are currently repaying Stafford loans issued after 1998 had their rate drop to 5.99%, down from 8.19%. Stafford borrowers who are still in school, or have their loans in grace or deferment, now pay 5.39% as compared to 7.59% (post-1998 issuances). Parent loans (called PLUS loans) have dropped from 8.99% to 6.79%. Loans issued before 1998 have dropped to 6.79% from 8.25%-8.99% (again depending on the year the loan was made).

Student loan interest rates are recalculated each year, and are based on the activity of short-term Treasury bills. "Because there's no guarantee these low rates will last past this year, Nelnet is encouraging borrowers to investigate their consolidation options now," said Bouc. "In a matter of a few minutes on the phone, our representatives help customers identify the amount of monthly savings they might receive."

For more information regarding Nelnet's student loan consolidation services, call 1-800-858-9471 between 8:00a.m.-9:00p.m. Monday - Thursday EST and 8:00a.m.-7:00p.m. Friday.