



America's Student Loan Providers offers help for graduates repaying loans

This May over 1.5 million students nationwide will become "college graduates." About 40 percent of them will also begin receiving bills for the repayment of their student loans. However, the prospect of repayment doesn't need to be as daunting as some may anticipate.

Thanks to comprehensive efforts to establish financial literacy programs and a number of free services provided by Federal Family Education Loan Program (FFELP) providers, students can get help in understanding and managing their finances while putting their newly earned degrees to work.

Within the past decade, student loan default rates have declined from over 22 percent in FY 1990 to only 4.5 percent in FY 2003, despite loan volume that has more than tripled over the same period. FFELP providers, schools and other organizations are leading the charge to lower student default rates, while equipping borrowers with tools to manage their debt and establish good credit.

Students may learn more about managing their repayment by contacting their loan providers. Any borrower who does not know what lender to contact can use the following Web resource:

https://www.studentclearinghouse.org/secure_area/loan_locator.asp.

America's Student Loan Providers recommends the following useful tips for students and families in managing loan repayment:

- Contact your loan provider for free counseling to best understand your student loan repayment options. Many providers offer financial incentives for electronic and on time payments.
- If you experience circumstances that affect your repayment ability, discuss alternatives with your loan provider. There are options to protect your credit score while meeting unexpected financial demands.
- Establish a budget and stick to it. There are a number of budgeting calculators online that can help students understand the financial responsibilities they may need to juggle as new graduates.
- Use credit cards conservatively and budget for credit card payments. Understand the difference between "needs" and "wants" and use your budget to keep "wants" under control.
- Request a free copy of your credit report and understand how to keep, or make, your credit healthy. Establishing and maintaining good credit brings lasting returns.
- Don't forget to save. Participating in an employer's 401(k) plan or establishing your own monthly savings program, even on a small scale, can help grow your financial foundation more quickly.
- Those who are non-native speakers of English should ask their loan provider about the availability of multi-lingual materials and programs. Financial guidance is often offered in Spanish, Korean, Chinese, and other languages.
- Most important, don't be afraid to ask questions—any questions and as many times as you need. Tap into your loan provider's knowledge and experience to be sure you continue to manage your student loan to your best financial benefit.

America's Student Loan Providers represents education and financial firms and organizations that provide federally guaranteed student loans through the Federal Family Education Loan Program (FFELP), a public-private partnership of schools, students, loan providers, loan guarantors, and the federal government. By leveraging private financial markets and competing for the right to lend to students, the FFELP brings value to students, schools, and taxpayers. Students benefit through lower interest rates, and simplified loan application and approval processes. More information is available at www.aslp.us.

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