



Nelnet Offers Free Advice Around the Clock to Student Loan Borrowers Considering Federal Student Loan Consolidation Before July 1 Interest Rate Hike

LINCOLN, Neb., May 12, 2006 /PRNewswire-FirstCall via COMTEX News Network/ -- Nelnet, a leading education finance company, is urging students to consider federal student loan consolidation before student loan interest rates increase as much as 40 percent on July 1. Federal student loan consolidation allows in-school borrowers and new graduates the opportunity to lock in today's current low interest rates and potentially save thousands of dollars over the life of the Consolidation loan.

Nelnet loan advisors are responding to telephone inquiries 24 hours a day, seven days a week, as well as chatting live online. Nelnet understands how the interest rate increase will affect many of the 16 million students attending four-year colleges and is ready to help students determine if federal student loan consolidation is right for them.

In-school borrowers are encouraged to research their student loan options to see if consolidation is the best alternative. After July 1, in-school borrowers will have to wait until they graduate or drop to less than half-time enrollment to consolidate, forcing them to take the risk of being subject to higher interest rates and ultimately paying more for their education. Nelnet loan advisors are available to research borrower's student loan history and estimate what the projected interest rate will be. This complimentary resource is available to anyone interested in consolidating. Nelnet also advises new graduates not to ignore their student loans during their grace period and to plan for the future.

"To take advantage of this money-saving opportunity, students and new graduates need to act quickly," said Mark Schilmoeller, Nelnet Consolidations Marketing Director. "Borrowers currently in-school or in their grace period can lock in an interest rate as low as 4.75 percent if they consolidate before July 1."

Student loan consolidation combines multiple federal student loans, such as Stafford and PLUS loans, into one loan with one low monthly payment. The fixed interest rate for a federal student loan consolidation is determined by taking the weighted average of the interest rates of the original student loan, rounded up to the nearest 1/8 percent.

"Consolidating Federal Stafford Loans before July 1, 2006 is so important to students graduating in May 2006 and graduate and professional students who are still in school," said Paula Kohles, Associate Director of Financial Aid at Creighton University. "The interest savings over the life of the loan has the potential to save students thousands of dollars. The financial impact of consolidating loans now is critical for students with high debt loads. Students graduating in May 2006 are receiving a lifetime bonus."

To learn if student loan consolidation is right for you, please contact a Nelnet Consolidation Advisor via e-mail or Web chat at www.nelnet.net/save or call toll-free 24 hours a day, seven days a week at 1.866.4CONSOL (426.6765).

Nelnet is one of the leading education finance companies in the United States and is focused on providing quality products and services to students and schools nationwide. Nelnet ranks among the nation's leaders in terms of total net student loan assets with \$21.3 billion as of March 31, 2006. Headquartered in Lincoln, Nebraska, Nelnet originates, consolidates, securitizes, holds, and services student loans, principally loans originated under the Federal Family Education Loan Program of the U.S. Department of Education.

Additional information is available at www.nelnet.net.

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SOURCE Nelnet

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