



New Student Loan Interest Rates Announced Today; Increase of Almost 40 Percent on July 1

LINCOLN, Neb., May 30, 2006 /PRNewswire-FirstCall via COMTEX News Network/ -- Student loan interest rates will rise almost 40 percent when they are reset on July 1, 2006, according to the results of today's United States 91-day Treasury Bill (T-bill) auction. The U.S. Department of Education will officially announce this change in the near future.

New rates for Consolidation loans disbursed on or after July 1, 2006 will rise to 6.625 percent for Consolidation loans made up of Stafford loans in grace or in-school deferment, and to 7.25 percent for Stafford loans consolidated during repayment. Currently, Consolidation loan interest rates are 4.75 percent for Stafford loans in grace or deferment and 5.375 percent in repayment. The new consolidation rate on PLUS loans will rise to 8.0 percent, up from the current 6.125 percent. New Stafford and PLUS loans disbursed on or after July 1 will carry a fixed interest rate. The Stafford loan interest rate will be 6.8 percent, while the PLUS rate will become 8.5 percent.

Nelnet (NYSE: NNI), a leading education finance and education services company, is advising students to consider consolidation before July 1. Federal student loan consolidation with Nelnet allows students and families a chance to reduce monthly payments and lock in lower interest rates -- potentially saving thousands of dollars over the life of the Consolidation loan.

"There is one month left for students to consider consolidating at the current lower rates," Nelnet Spokesman Eric Solomon said. "If you act now, you could save more than \$5,000 over the life of a \$20,000 loan."

In addition, Nelnet offers valuable benefits to borrowers, including a 1 percent interest rate reduction after 36 initial, regular, on-time payments, and an additional .25 percent interest rate reduction for auto-debit payments. Together, these benefits can reduce borrowers' interest rates by another 1.25 percent. Borrower benefits vary by state and lender.

If you are unsure what's best 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

Eric Solomon of Nelnet, +1-202-659-2258

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