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Deadline Approaching for In-School Student Loan Consolidations

September 10, 2006(Tampa, Florida) The Department of Education has announced that, as of midnight, June 30, 2006, students that are enrolled in a college or university will not be allowed to consolidate their student loans. This regulation change also means all students that do not consolidate their Federal Student Loans before July 1st will be subjected to the largest interest rate increase in the history of the Federal Student Loan Program. The final rate increase will be determined on July 1st, and all indications signal that interest rates will rise from 4.7% to 6.8% for borrowers that are still in school. On a loan balance of \$30,000, this means an increase in interest payments of over \$11,500 over the life of the loan.

“Our communication with students and schools shows us that, overall, students are not being made aware of the impact this Federal interest rate increase will have on them,” said Michael Babb, President of Academic Financial Solutions. “We believe that the short- and long-term negative financial impact on these students will be tremendous if they miss the June 30th consolidation deadline.”

Babb and Academic Financial Solutions have three basic rules they recommend for students and their parents to follow regarding paying off Federal Student Loans:

- 1) **Don't Be Misled** – We've seen that students are being misinformed regarding their in-school consolidation rights. A student that consolidates their student loans prior to July 1st will not only lock in the current low 4.7% interest rate, they will also be placed in deferment status which allows them to delay paying off their student loans until they leave school.
- 2) **E-Signature Accelerates the Process** – Consolidate with a Company that has a safe, secure e-Signature program. eSignature cuts 30-60 days off the application process – which will be very important because of the application backlog that will take place around the June 30th rush to consolidate.
- 3) **After July 1st, Students Will Have No Choice** – Always explore your consolidation options – but remember after July 1st, students will have only one option. Students will have to wait until they graduate to consolidate, and they will lose all the benefits that come with in-school consolidation.

“Our goal at Academic Financial is to make sure student loan holders have all the available information in front of them, because that's when the students clearly see why consolidation is such a smart move regarding their post-college financial future”, added Babb. “In addition, our research shows that students believe, because they don't make loan payments while they are in school, that their student loan interest rates will not be affected by this change in Federal Student Loan regulations. We will focus all our efforts prior to July 1st toward educating current students about their rights related to the upcoming end to in-school student loan consolidations, and how much it will cost them if they don't consolidate before the deadline.”

Based in Tampa, Florida, Academic Financial Solutions has saved Federal Student Loan holders millions of dollars by reducing their payments through consolidation. For more

information on how to consolidate Student Loan debt, call Toll Free 1-866-416-6333 or visit their Website at www.AcademicFinancial.com.