



# EdFed

Federal Lender Code 834241

America's Top Student Loan Consolidator

175, South Lake Ave, Suite 200, Pasadena, California 91101

Tel: (800) 821.5659

Fax: (213) 895.7306

[www.Edfed.com](http://www.Edfed.com)

## CONGRESS REPEALS SINGLE-HOLDER RULE

EdFed Thanks Rep. Regula for Job Well Done

Pasadena, CA

In apparent response to student protests and media coverage, Congress has passed legislation to repeal the single-lender or single-holder rule for student loans.

The chair of the House Subcommittee on Labor, Health and Human Services and Education, Rep. Ralph Regula (D-OH), included a repeal of the single-holder rule in the conference report of the Emergency Supplemental Appropriations Act of 2006, H.R. 4939. This will allow borrowers the option to consolidate with a different lender that may be able to offer lower interest rates and/or better repayment terms.

Under the single-holder rule, a borrower had to refinance through his or her current lender if all student loans were obtained through a single lender. This helped large lending companies such as Sallie Mae squelch competition and kept consumers at the mercy of mammoth corporations.

"At EdFed, we've been pushing for the elimination of this rule for a long time," said EdFed CEO A. Harrison Barnes.

"The single-holder rule never helped borrowers or students. It ruled out so many options for consumers that I'm surprised it was ever passed into law in the first place. As in every other industry, people will profit more when there is competition in lending."

Without the single-holder rule in place, borrowers will have many opportunities to find the best interest rates, customer service, and loan packages available. This change will help debt-burdened graduates obtain the best interest rates and borrower benefits so they can ultimately save more money.

Although officials must wait for President Bush's signature before the act becomes law, experts predict that the single-holder rule will be part of student-loan history by early next week.

Because student-loan interest rates are set to rise on July 1, many borrowers only have a two-week window to shop for great customer service and low interest rates. On July 1, those borrowers with unconsolidated loans will see the interest rate on each of their loans rise by around 2 percent, costing them thousands of dollars over the course of repaying their loans.

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To save this money, borrowers are urged to consolidate their loans before June 30. Borrowers can contact an EdFed consolidation loan specialist at 800.821.5659 for same-day service. A free online application is also available at [EdFed.com](http://EdFed.com), where borrowers can E-Sign an application for even faster processing.

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