



EdFed

Federal Lender Code 834241

America's Top Student Loan Consolidator

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www.Edfed.com

Congressman Urges Student Loan Consolidation

EdFed backs Rep. Allen's proposal to Reverse the Raid on Student Aid

June 20, 2006

U.S. Representative Tom Allen (D-ME) recently warned student-loan borrowers about upcoming interest rate increases, stressing that immediate student-loan consolidation is the best way to save thousands of dollars.

At a press conference at Southern Maine Community College, Allen urged borrowers to examine their unconsolidated loans, stating that this is the only way to lock in current, low interest rates.

"Education is the ticket to career success, economic prosperity, and a rewarding life," Allen said.

"But the price of that ticket is about to go through the roof.

"Students and parents with outstanding education loans are in for a major shock to their budgets. Unless they act before July 1, they may be hit with an additional \$3,500 in interest fees on the average undergraduate loan. I stress that \$3,500 is the average; some students and parents may be hit with even higher, more oppressive rate hikes."

Borrowers who have obtained loans from either the Department of Education's Direct Loans program or a Federal Family Education Loan Program (FFELP) lender are encouraged to call a government-authorized loan specialist immediately at 800-821-5659.

Allen, who is co-sponsoring the EdFed-supported Reverse the Raid on Student Aid Act, stated that students today, who face the highest student-loan interest rates in six years, do not enjoy the benefits that were once available to hard-working young people.

"The educational opportunities our nation made available under the G.I. Bill to the veterans returning from World War II enabled the 'Greatest Generation' to fuel an era of prosperity unprecedented in history," Allen said.

"We need to make a similar commitment to educational opportunity for all Americans in the 21st century. In our increasingly competitive global economy, Maine's and America's future prosperity will depend on a workforce armed with the best education we can provide."

Allen's commitment to American students lies in his new bill, the Reverse the Raid on Student Aid Act, which proposes cutting student-loan interest rates in half.

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"At EdFed, we absolutely support Rep. Allen's new bill," said EdFed CEO A. Harrison Barnes.

"While this legislation might not be too popular among the larger lending companies, who will lose billions in interest payments from borrowers, we understand that this is going to be the best thing for students. If you're in business to serve students, why wouldn't you support a new law that's going to help them the way this act will?"

In order to avoid paying the maximum amounts in added fees and interest, students, graduates, and their families can contact an EdFed financial advisor at 800-821-5659. Concerned borrowers can also go to EdFed.com to get more information on how their loans will be affected.

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