



# 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)

## An Expansion of the University of Michigan's M-PACT Plan

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Reported in this week's EdFed, a report from the Higher Education Washington, Inc., NewsLine, states that the University of Michigan is expanding its M-PACT financial aid program.

Replacing student loans with grants for students in dire need, the M-PACT program is part of a 10-percent increase in financial aid grants for both new and returning UM Students. With two-thirds of UM students receiving some form of merit or need-based financial aid, over 400 of these students will immediately begin saving at least \$5,000 a year.

The M-PACT financial aid package covers students' tuition, room and board, books, and other expenses. Offered specifically to low-income Michigan resident undergraduates and supplementing traditional financial aid, unlike traditional loans, students do not have to repay grants and work-study assistance.

"M-PACT's existing program will remain in effect, which originally increased the need-based grant assistance to \$12,200 per year for students from families whose financial circumstances made them eligible for a full Pell grant," stated EdFed. However, M-PACT aid will now top off the university's existing financial aid package with additional grants of \$1,500, \$1,000, or, \$500, depending upon the student's financial status.

"Even before the new changes were instituted, Kiplinger's had rated the University of Michigan number 16 on a national list of the 100 best values in public higher education," said EdFed.

Projected to disburse more than \$3 million to more than 1,800 students next year, the M-PACT financial aid program is set up to offer even greater opportunities for students who are locked out of the graduate programs.

Students who come from lower economic backgrounds, tend to shy away from taking on student loans as much as feasibly possible. Undergraduate debt is very difficult and the prospect of having to pay them back for years upon completion discourages students from enrolling in graduate or professional school. However, with the University of Michigan's new M-PACT program, more students will be able to climb the educational ladder than ever before.

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Launched in 2005 by University of Michigan President Mary Sue Coleman, the main goal is to leave low-income students with an expected financial contribution of close to nothing, reported EdFed.

Not only does M-PACT provide the greatest amount of assistance to families at the lowest end of the income scale, it is also designed to assist those students whose families earn slightly more than the cutoff amount through the Pell grant.

EdFed is a student loan company dedicated to assisting students and graduates in financing college expenses and managing education loans. The company specializes in education lending, and is dedicated to ensuring loans are handled professionally and to the advantage of the borrower.