



NEWS RELEASE

For Release
August 4, 2008

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Lela continues to offer students, parents ways to save money when paying for college

BATON ROUGE— Many college-bound students and their parents may be concerned about the availability of student loans this fall, but they can still secure funds for college as well as save money through the Louisiana Education Loan Authority (Lela).

Due in part to changes passed in federal legislation, undergraduate students can experience greater savings than before when they take out a federal Stafford loan and save even more when they go through Lela, Louisiana's only non-profit student loan provider.

"Although some lenders have announced that they are exiting the business, Lela is fortunate to be in a position where we are able to continue providing loan access through our core programs, which have helped Louisiana students save millions of dollars over the years," said Tricia Dubroc, Lela's Vice President of Student Loans. "One of the ways Lela does this is by absorbing the cost of certain fees charged by the federal government."

Effective July 1, the federal interest rate on subsidized Stafford loans was lowered to 6 percent from 6.8 percent for undergraduate borrowers. Borrowing limits on unsubsidized Stafford loans for undergraduates were raised by \$2,000. The federally-assessed origination fee on all Stafford Loans has been lowered to 1 percent from 1.5 percent.

Parents who borrow PLUS loans now have the option to defer payment until six months after the student graduates or stops attending school on a half-time basis.

Although the new legislation has caused some lenders to reduce savings to students, Lela is continuing to offer programs such as HELP Teachers and HELP Nurses, which make zero interest loans available to those studying to be teachers and nurses who meet certain criteria on a limited basis. These programs allow Louisiana teachers and nurses to apply to receive interest waivers on their eligible Stafford loans during repayment.

Lela offers the following additional benefits to borrowers:

- Paying the upfront federally-assessed 1 percent origination fee on subsidized and unsubsidized Stafford loans on behalf of all Lela student borrowers.
- Partnering with organizations that waive the 1 percent federal default fee on Stafford loans.
- Superior customer service and free college planning counseling.

“As Louisiana’s non-profit loan provider, we want to assure schools, students and parents that we are committed to continuing to provide access to funding this year,” Dubroc said.

Interested persons can learn more about student loans or apply for online scholarships and other financial aid options by contacting Lela at (800) 228-4755 or visiting the Lela website at www.lela.org. This site includes extensive information for college-bound students and many links regarding financial assistance for college.

Lela is a division of the Louisiana Public Facilities Authority, a non-profit trust established to bring lower cost financing assistance and advantages to the citizens of Louisiana at no cost to the state. Lela acts as a low cost source of student loan financing for higher education. Lela has assisted over 365,000 students since 1984.