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NEWS RELEASE

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Governor Blanco proclaims February as Financial Aid Awareness Month Parents, students urged to explore college financing options early

BATON ROUGE—February is Financial Aid Awareness Month (FAAM) and the Louisiana Education Loan Authority (Lela) is launching a campaign to urge high school seniors and their parents to start now in securing college financial aid opportunities and to explain the importance of starting the application process early.

Gov. Kathleen Blanco issued a proclamation declaring that the initiatives of “Financial Aid Awareness Month” will allow all Louisiana citizens the opportunity to become better educated on the numerous financial assistance programs as well as options available to access funds for an advanced education. As part of FAAM, representatives from Lela are traveling to schools and other locations around the state to provide information on college financing options available to high school seniors and their parents.

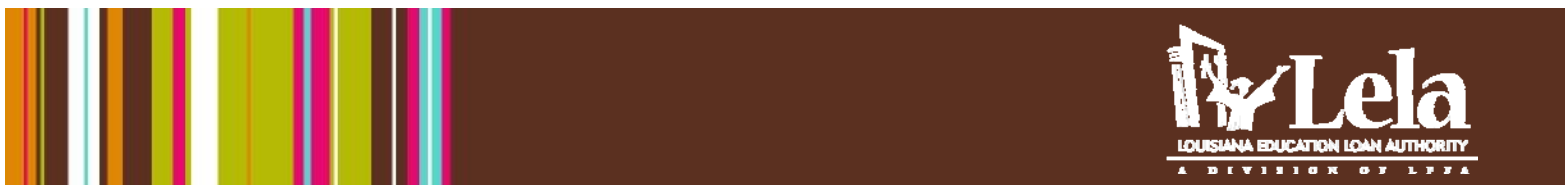
Lela, the education arm of the Louisiana Public Facilities Authority (LPFA), recommends that students begin the process now by completing the Free Application for Federal Student Aid (FAFSA). This application is required for most forms of federal financial assistance. The FAFSA may be obtained from high school guidance counselors, college financial aid offices, or online at www.fafsa.ed.gov. Other state and private organizations offering scholarship opportunities may require separate application procedures, so students should contact each sponsoring organization for details.

“It’s very important to begin the financial aid assistance process early,” said Tricia Dubroc, vice president of student loans for LPFA. “February is the best time to start the process, since some states and universities have early deadlines for completion of the initial paperwork.”

The price tag of a college education can be high. Currently, the average cost of attending a four-year public university in the South is just under \$14,000 a year. This includes tuition and fees, room and board, books, supplies, transportation, and other costs. Out-of-state fees can increase costs by several thousand dollars.

However, a college degree brings many financial benefits. According to the College Board, earning a bachelor’s degree can mean a difference of more than \$1 million in earnings over a lifetime. A graduate with a bachelor’s degree can earn an average of 62 percent more than someone with just a high school diploma. In 2003, the median salary for a worker with a bachelor’s degree was \$49,900, compared to \$30,800 for a worker with just a high school diploma.

“Although the cost of a college education has increased in the past years, there are still plenty of options to help pay for it,” Dubroc said. “From loans to grants, to student worker programs, we try to ensure that anyone who needs help paying for a higher education is aware of all the funding options available at the federal and state levels.”



For example, student loans – one of the most popular sources of financial aid - are available to all eligible students, regardless of economic status. Detailed eligibility guidelines are available online at www.studentaid.ed.gov. Nationally, federal loans make up 47 percent of the aid disbursed to graduate and undergraduate students.

Even though federal student loan interest rates are up almost 2 percent this year, there are still good deals to be found for borrowers who shop around. For instance, under Lela's SuperTop program, borrowers who take advantage of all of the program's incentives can have:

- processing fees paid by Lela,
- their original federally set interest rate reduced by 3 percentage points after 36 timely payments,
- an auto debit savings of 0.25% in the interest rate
- up to 6% in rebates of their loan principal for living and working in Louisiana after graduation.

These incentives could save a borrower 65 percent in interest and fees over the life of a loan.

Among the financial aid options available to Louisiana students are:

- Tuition Opportunity Program for Students (TOPS) scholarships
- Privately funded scholarships
- Federal Pell grants
- Federal work-study programs
- Supplemental Educational Opportunity Grants
- Federal student loans
- Louisiana's START college savings program

"We want to encourage anyone planning to attend college this year to look at all of the options for paying for it," Dubroc said. "It's never too early to start planning to finance your higher education."

Additionally, Lela is once again providing incentives for students to learn about and earn financial aid during February through its annual "Cash for College" essay contest for high school seniors. The student who writes the winning essay on financing his or her college education will receive a \$1,000 scholarship from Lela.

All Louisiana high school seniors are eligible for the essay contest and are encouraged to submit an entry. Lela will also award several additional scholarships to students who apply online, as well as to those who visit the Lela booth at workshops and information fairs being held across the state throughout the month of February. For a list of the program dates, please visit www.lela.org.

Lela is a division of the Louisiana Public Facilities Authority, a nonprofit 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 360,000 students since 1984.

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