



## NEWS RELEASE

**For Release**  
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### **Lela: New federal changes favorable to student loan borrowers** Lower rates, new programs allow students to save more money

BATON ROUGE— New federal regulations allow college students and their parents to save even more money when they secure student loans for college this upcoming year.

Effective July 1, the federal interest rate on subsidized Stafford Loans was lowered to 5.6 percent from 6 percent for undergraduate borrowers. The federally-assessed origination fee on all Stafford Loans has been lowered to 0.5 percent from 1 percent.

Also available to some borrowers who obtain loans on or after July 1 is the new federal Income Based Repayment program, which enables them to save money when repaying their loan. The program caps borrowers' monthly loan payments at 15 percent of their discretionary income. The program is available to borrowers whose loan payments exceed 15 percent of their discretionary income. After 25 years in the program, borrowers' debts are completely forgiven.

"Program incentives like these will help students save money when financing their educations," said Tricia Dubroc, Lela's Vice President of Student Loans. "Contact us at Lela today to learn more about how you can make your college education more affordable."

Lela offers the following additional benefits to borrowers:

- Partnering with organizations that waive the 1 percent federal default fee on Stafford loans.
- A 0.25 percent reduced interest rate for borrowers who sign up to pay back their loans through the auto debit service.
- Customer service and free college planning counseling.

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.asklela.org](http://www.asklela.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 public 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.

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