

Considering Consolidation?

Are you tired of managing multiple federal student loan payments, with multiple interest rates or multiple servicers? If so, now may be the time for loan consolidation. The U.S. Department of Education made the landmark decision to allow you to choose your consolidation servicer under the Direct Consolidation Loan program.

What is Direct Consolidation?

The Direct Consolidation Loan program is offered by the U.S. Department of Education to federal student loan borrowers. The program may allow you to consolidate your federal loans into one, and select the consolidation servicer of your choice.

Consolidation's Ease of ONE

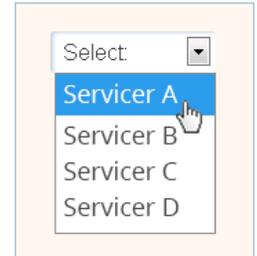
Consolidation may be a great solution if you're looking for convenience and ease in managing multiple loans.

- ONE** Loan
- ONE** Fixed interest rate
- ONE** Monthly Payment
- +** The student loan servicer of your choice!
- +** No consolidation fee

The Power of CHOICE

Consolidation gives you **the opportunity to choose** one of the U.S. Department of Education's consolidation servicers to complete and service your Direct Consolidation loan.

You now have
**the opportunity
to choose!**



Is Consolidation Right for You?

Loan consolidation can be a great solution for borrowers seeking convenience and ease in managing their student loans. Consolidation gives you:

One loan, **one** fixed interest rate, **one** monthly payment, **one** student loan servicer—of your choice, and **no** consolidation fee.

Eligibility

To be eligible for a Direct Consolidation loan, you:

-  **Must have at least one federal loan** under either the Direct Loan or Federal Family Education Loan (FFEL) programs.
-  **Must have loans in Grace or Repayment** (including Deferment, Forbearance, or Delinquent) status.
-  **Cannot consolidate your loans while you're still in school.**
-  **Can consolidate if your loan is in default**, as long as you agree to pay your new Direct Consolidation loan under an income-based repayment plan, such as Pay As You Earn, Income-Based Repayment, Income-Contingent Repayment, or make satisfactory repayment arrangements with your loan holder.

Benefits

You're also able to maintain certain federal student loan benefits, including:

-  **Flexible repayment options.**
You can choose from multiple repayment plans with various terms to repay your consolidation loan. Pay As You Earn, Income-Based Repayment (IBR), and Income-Contingent Repayment (ICR) plans offer flexibility and lower payments based on your income and family size. You may be able to change plans at any time, based on eligibility requirements. You can use the U.S. Department of Education's Federal Direct Consolidation Loans Online Calculator (loanconsolidation.ed.gov/loancalc) to estimate your monthly payment under various repayment options.
-  **Your grace period.**
If any of your loans are in a grace period and you want to consolidate them, make sure to note on your application the date the grace period ends. Otherwise, your consolidation application will be processed right away and you'll lose your grace period.
-  **Take care of your past due loans.**
When you apply for consolidation, you may also be eligible for a temporary forbearance that might bring your qualifying past due loans current.
-  **Public Service Loan Forgiveness (PSLF) eligibility.**
Consolidation loans are eligible for loan forgiveness under the PSLF program if you meet the additional program requirements. Not all loan forgiveness programs can be maintained under a Direct Consolidation loan. Please check the U.S. Department of Education's website (studentloans.gov) for more details.

Considerations

However, if you're looking to consolidate you should consider the following:

-  **Paying a different interest rate.**
A Direct Consolidation loan's interest rate is the weighted average of your original loans' interest rates, rounded up to the nearest 1/8th of a percent.
-  **Paying more over the long term.**
Like a home mortgage or car loan, extending the years of repayment increases the total amount you will have to pay over the life of the loan.
-  **Your grace period.**
If any loans you want to consolidate are in a grace period, you can request to delay the processing of your consolidation loan until the end of your grace period. On your application, you must enter the month and year your grace period is expected to end. If you leave it blank, the processing will begin as soon as your documents are received and you'll lose your grace period. Then, once the consolidation loan is completed, you'll be required to immediately begin paying it back.
-  **Direct Parent PLUS loans are not eligible to be combined into a consolidation loan under the Pay As You Earn or Income-Based Repayment (IBR) plans.**
However, they are eligible for an Income-Contingent Repayment (ICR) plan.
-  **Loss of certain federal student loan benefits.**
This can include eligibility for subsidized interest, deferment, or loan forgiveness. Please check the U.S. Department of Education's website (studentloans.gov) for more details.