

## CONSOLIDATION OF YOUR EDUCATION LOANS

College Foundation, Inc. is not making new Federal Consolidation Loans at this time.

If you are considering a Consolidation Loan, please be aware, while it will lower your monthly payments, it also extends your repayment period -- which will increase your total interest charges over the life of the loan.

This example (using \$18,400, the NC average debt for four years of college) shows what happens if you replace your Unsubsidized Stafford Loan with a Consolidation Loan. To get your monthly payment lowered by \$47, you'll pay 5 years longer and over \$4,000 more in interest:

	Amount Borrowed	Interest Rate	Term (yrs)	Payment Amount	Interest	Total to Repay
Unsubsidized Stafford Loan	\$18,400	6.8%	10	\$212	\$6,996.83	\$25,396.83
Consolidation Loan	\$18,400	6.875%	15	\$165	\$11,018.95	\$29,418.95

There are other ways to lower or better handle the current monthly payment on your CFI Loans. It may be that all you really need is a temporary reduction or delay in making loan payments.

Call us toll free at **800-722-2838** to find out how these alternative repayment schedules or other options, such as deferment or forbearance, might help.

- (1) **Extended Repayment Schedule.** To be eligible for this schedule which extends the repayment period to 25 years, all of your outstanding loans must have been disbursed on or after October 7, 1998 and your loan balance (including accrued interest) must be over \$30,000 at the time your loan(s) is scheduled for repayment.
- (2) **Graduated Repayment Schedule.** Your monthly payments begin with a lower monthly payment amount than a standard schedule and then increase periodically over the repayment period. (Assumes your starting salary will gradually increase.)
- (3) **Income-Based Repayment Plan.** If you have high student debt level relative to your income and are having difficulty making your payments, this plan is available for Stafford Loans, PLUS Loans to graduate students and for Consolidation Loans with no underlying parent PLUS Loans. To enroll, you must exhibit a partial financial hardship as defined by federal

regulations. Hardship is defined by your income, the poverty level of your state of residence, your family size and your student loan indebtedness. You must recertify family size and income each year.

- (4) **Income-Sensitive Repayment Schedule.** Your monthly payments are calculated a year at a time based on your actual income.

Think carefully about a graduated, income-sensitive or income-based repayment schedule before requesting a change. These modified plans begin with lower payments, then gradually increase over time (or may be adjusted annually based on your income) and tend to be more expensive than a standard schedule.

For more about these repayment schedules or the other help available when your payment problems are only temporary, take a look at answers to these [Frequently Asked Questions](#) on repayment or give us a call.