

NEWS FROM

Alabama Student Loan Program—KHEAA

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Financial Aid Tip of the Month, March 2007

Alabama residents can save thousands with new college loan program

Alabama residents may be able to save thousands of dollars on federal student loans by getting loans from the Alabama College Loan Program (ACLP).

The ACLP serves undergraduates and their parents, as well as graduate students. There are also special benefits for teachers, nurses, and National Guard members.

For students who borrow Federal Stafford Loans, the ACLP pays the origination fee and the federal default fee, giving borrowers more money when they need it most. The ACLP gives borrowers of Federal PLUS Loans for parents of undergraduate students and Grad PLUS Loans for graduate students a 2 percent interest rate reduction after the loans are fully disbursed.

ACLP's Stafford, Parent PLUS and Grad PLUS borrowers can also qualify for a 5 percent reduction to the original principal after making 30 on-time payments, saving them even more money during repayment. Borrowers can save another 0.25 percent by having payments taken directly out of their bank accounts.

The ACLP will provide interest-free Stafford and Grad PLUS Loans to:

- Teachers who hold valid teaching certificates issued by the Alabama State Department of Education and who show proof that they were full-time teachers in Alabama public elementary and secondary schools for the prior year.
- Nurses who hold valid nursing licenses issued by the Alabama Board of Nursing and who show proof that they have worked as full-time nurses in Alabama for 12 consecutive months.
- Members of the Alabama Army and Air National Guard called to active duty on or after September 12, 2001, and who served in good standing while activated. Guard members qualify for interest-free loans while in the Guard and for 30 years after they leave the service. Their spouses can also qualify for interest-free student loans as long as the marriage lasts, while their dependents under age 24 are eligible for the interest-free benefit.

For more information about the Alabama College Loan Program (Lender Code 834281), visit www.alstudentaid.com or call 1-888-678-4625.