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## Mass. College Loans Still Available MEFA Urges Parents, Students: Even at Last Minute, Borrow Smart

BOSTON – As the fall semester approaches, the state's college loan program has funding available to help Massachusetts parents and students making last-minute payments. MEFA, a not-for-profit college lender, offers affordable, fixed interest rate loans and fast application processing so families can beat the payment deadline.

The MEFA Undergraduate Loan has a 7.75% fixed interest rate, one of the lowest rates available. The MEFA Loan offers a predictable and stable monthly payment of \$99.65 per \$10,000 borrowed. And all MEFA borrowers receive the same low interest rate from MEFA, compared to many loans that give the lowest interest rates to only customers with the highest credit scores.

“The availability of low-interest, fixed-rate education loans is one of the benefits of living in or attending college in Massachusetts. MEFA's mission is to assist families with college financing, and we do that by educating parents and students on payment strategies and by offering college loans with extremely competitive rates,” said Thomas Graf, Executive Director of MEFA. “We find many families rush in the last weeks before the semester starts to secure financing, but there’s still time to be smart consumers by following MEFA's Tips for Smart Borrowing.”

Particularly in this economy, families face tough choices to pay for college, and MEFA has college financing specialists who can offer free, trustworthy advice to guide families. MEFA's knowledgeable counselors are available toll-free at 1-800-449-MEFA for extended hours as students head back-to-school. Call Monday through Friday from 8 a.m. to 10 p.m. and Saturday from 9 a.m. to 3 p.m. EST.

Massachusetts families or families of students attending school in Massachusetts are eligible to apply for a MEFA Loan. Call 1-800-449-MEFA or visit [www.mefa.org/backtoschool](http://www.mefa.org/backtoschool) to apply today.

### MEFA's Top Tips for Smart Borrowing:

1. Maximize federal grants and federal student loans, especially the Federal Stafford Loan for students. Families should complete the Free Application for Federal Student Aid.
2. Ask your college about a payment plan. Many will let families pay all or a portion of the college bill over the course of the academic year. This can help reduce how much money students and families need to borrow.
3. Read and understand all the terms of the loans you are considering, including the interest rates and repayment terms. Are the interest rates fixed or variable? Does the loan require you to begin immediately repaying it, or are payments deferred until after graduation? How does this impact the interest rate?

4. Watch out for tiered pricing. Many lenders will advertise a low interest rate, but only those borrowers with the very best credit scores get those rates. The interest rates increase for borrowers with less-perfect credit. Some lenders offer a single interest rate for all qualified borrowers.
5. Make a long-term plan. Paying for college is a commitment over many years, so it makes sense to plan not only how to pay the semester that starts next month, but all the semesters after that. For example, the amount of a Federal Stafford Loan increases as the student progresses through the academic program, so take that into account. Factor in other variables as well, such as anticipating the cost of college may increase.

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MEFA is a not-for-profit self-financing state authority, not reliant on state or federal appropriation, that works to make higher education more accessible and affordable for students and families in Massachusetts. Nearly 30 years ago, MEFA was created by the state legislature at the request of Massachusetts colleges and universities. MEFA provides community education programs, college savings plans, and low-cost financing options. In its nearly thirty year history, MEFA has issued approximately \$3.8 billion in bonds and has assisted hundreds of thousands of families in financing a college education.