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MEFA Announces Education Loan Funding for Academic Year 2008-2009

7.75% Fixed Interest Rate MEFA Loans Available Now, Lower than Federal Rate

BOSTON – The Massachusetts Educational Financing Authority today announced it will immediately begin offering affordable, fixed interest rate MEFA Loans to families of undergraduate and graduate students for academic year 2008-2009 after successfully raising \$400 million in financing through the sale of bonds.

“On behalf of MEFA and the families we serve, I extend our gratitude to Governor Patrick and his administration for their strong support and cooperation through this unprecedented time in student lending. The Governor’s advocacy on behalf of MEFA strengthened our position in the capital markets. We are pleased to offer to Massachusetts families and students the MEFA Loan with a rate lower than that of alternative loans,” said Thomas Graf, Executive Director of MEFA.

MEFA—the Commonwealth’s non-profit state authority that works to make higher education more accessible and affordable through community education programs, college savings plans, and low-cost financing options—successfully completed the most significant private student loan transaction made without state credit support since September 2007. Disruptions in the capital markets, linked to the subprime mortgage crisis, delayed lenders nationwide in announcing 2008-2009 academic year education loan availability. MEFA has worked with the Governor and other stakeholders to complete the financial transactions necessary to raise the capital required to fund the MEFA Loan.

“Today’s announcement is very good news for Massachusetts students and families,” said Governor Patrick. “I commend the staff at MEFA for their diligence in securing these lower-cost options, especially during challenging economic times.”

The MEFA Loan is available to Massachusetts students and families seeking lower-cost education financing. The loan is available for both the current and second semesters. Maintaining its nearly 30-year tradition, MEFA will offer a fixed interest rate loan for academic year 2008-2009 to provide predictable monthly loan payments regardless of fluctuations in the global credit and liquidity markets. The MEFA Undergraduate Loan with immediate repayment features a fixed interest rate of 7.75% (APR 8.43%). Families may apply at www.mefa.org or by calling 800-809-0571.

“This announcement comes at a great time for students and provides them with a great opportunity to secure support for their education. We’re thankful to MEFA for their hard work in providing this option for our students,” said state Education Secretary Paul Reville.

“Higher education plays a vital role in the Commonwealth’s educational, economic and cultural life,” said Richard Doherty, president of the Association of Independent Colleges and Universities in Massachusetts. “MEFA’s success in the markets helps students and their families with affordability

and access to our terrific colleges and universities.”

Families who qualify may borrow the MEFA Undergraduate Loan for as little as \$99.65 a month per \$10,000 borrowed. In an economy where prices of everyday goods and services are increasing, an education loan that offers a stable, fixed interest rate and allows families to count on the same monthly payment is invaluable.

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MEFA is a non-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 legislation at the request of Massachusetts colleges and universities. MEFA provides community education programs, college savings plans, and low-cost financing options. In its nearly 30-year history, MEFA has issued more than \$2.3 billion in bonds and has assisted hundreds of thousands of families in financing a college education.