

Lawrence University Financial Aid News

April, 2006

Greetings from the Office of Financial Aid!

While we are busy processing financial aid awards for next year's freshman applicants, we are also getting things in place to start packaging our current students. It is our hope to have 2006-07 financial aid awards available to all on-time applicants by the week of May 22nd, 2006. As in previous years, awards will be available to view, print, and accept through the Voyager online system, thus paper award letters will not be mailed.

If you have submitted or plan to submit a special circumstances form, remember that you must include all required documentation for it to be considered. This includes copies of parent 2005 federal tax returns and W-2 forms as well as any documentation to support the reason for the special circumstance. If we receive a form that does not have enough documentation, we will return it to you with a request for more information.

On February 2, 2006, President Bush signed into law S. 1932, the Federal Deficit Reduction Act of 2005. This bill impacts a number of federal financial aid programs. Most notably, on July 1, 2006 all new Federal Stafford Loans will go from a variable rate (currently at 4.7% while in-school, 5.3% in repayment) to a fixed rate of 6.8%. To save our students money on their current Federal Direct Stafford Loans (and parents on their Federal PLUS Loans), we are strongly encouraging them to consolidate. Consolidating allows students to lock in the current in-school interest rate of 4.7% and parents to lock in the current PLUS rate of 6.10%. To publicize consolidation, we will be sending email notices to our students as well as posting signs up around campus encouraging them to consolidate. Check out our consolidation flyer on the second page of this newsletter for more information!



On behalf of myself and my staff, have a wonderful spring & summer!

Sara Beth Holman
Director of Financial Aid



Deadlines, Deadlines, Deadlines . . .

As mentioned in my last newsletter and in the postcard we sent you earlier this year, April 15th, 2006 was the priority deadline for all currently enrolled Lawrence students planning to apply for need-based financial aid for 2006-07 to submit a Free Application for Federal Student Aid (FAFSA) and Lawrence University Application for Financial Aid (LUAPP). Students who have not yet submitted their FAFSA & LUAPP are encouraged to do so *as soon as possible*. Due to limited funding in some aid programs, students who apply late may lose out on certain types of financial aid. Although we send email reminders to them, please encourage your son or daughter to regularly check their Voyager record to stay apprised of missing financial aid documents! For more information about applying for financial aid or to access financial aid forms, visit our website at <http://www.lawrence.edu/dept/finaid/current/>.



Financial Aid Timeline

April 15th - Financial Aid application deadline for current students
Late May - Financial Aid awards available on Voyager
Late June - PLUS applications sent to previous PLUS borrowers
June 30th - If you haven't consolidated, do it today!
Mid-July - Business Office mails 2006-07 statement of account
Aug 15th - Payment due for term one of 2006-07

Another Important Note about Consolidation

Many lenders solicit our students to consolidate their student loans with them rather than through the Federal Direct Loan Program. Many of these notices look very official and can be confusing. In most cases, we recommend that students do NOT take advantage of these other opportunities. Why, you might ask?

The answer is **in-school consolidation**. Only the Federal Direct Loan Program offers in-school consolidation for students, and under the Deficit Reduction Act of 2005, even this will end on June 30, 2006. The primary benefit of in-school consolidation is that it allows a student to keep their 6 month grace period after consolidation. If a student consolidates with another lender, they will lose their grace period and go into immediate repayment!



Even if your student consolidated last year, he or she should consolidate again this spring to take advantage of this final year of in-school consolidation and low interest rates.

If you are a parent who has borrowed a PLUS Loan, don't forget - *you* should consolidate too! Contact your lender today!

Financial Aid Funnies



This is a true story that was recently shared with me by a colleague in Indiana. He and his wife were talking about saving for college when his six year old son interrupted.

Son: "Dad, how much does it cost to go to your college?"

Dad: "About \$25,000 a year."

After a thoughtful silence in which his son contemplated this number, he asked "Does that include lunch?"



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A Message from the Financial Aid Office at Lawrence University:



Don't Miss This Last Chance to Save with Direct Loan Consolidation!

Whether you are still continuing in school or graduating this spring, act now to take advantage of great savings to consolidate your student loans!

A 4.7% interest rate on Federal Direct Consolidation Loans is available to borrowers currently attending LU. This interest rate will rise to 6.8% on July 1, 2006. **YOU MUST APPLY BEFORE JUNE 30, 2006 TO LOCK IN THE "IN-SCHOOL" INTEREST RATE of 4.7%. APPLY NOW** while you are still in school.

DON'T LEAVE SCHOOL for summer break or graduation WITHOUT LOCKING IN YOUR FIXED INTEREST RATE!

You will still have all the benefits you gained when you took out your original student loans. For details, refer to our web page on loan consolidation:

<http://www.lawrence.edu/dept/finaid/consolidate.shtml>

When you're ready
to apply for a Direct Consolidation Loan go to:

<http://www.loanconsolidation.ed.gov>

For Federal Parent PLUS Loan Borrowers:

A 6.10% interest rate on Federal Consolidation Loans is available to current PLUS borrowers. This interest rate will rise to 8.5% on July 1, 2006. **YOU MUST APPLY BEFORE JUNE 30, 2006 TO LOCK IN THE CURRENT LOW INTEREST RATE!** Contact your lender for more information & to complete the consolidation process.