

As a result of adverse financial market conditions, Total Higher Education (T.H.E.) Loan Program has suspended its consolidation loan program. When market conditions improve, T.H.E. will re-evaluate this decision.

While consolidation can offer some benefits, it is not necessarily the best option for all borrowers.

If you are considering consolidation remember the following factors:

- In setting the consolidation interest rate lenders round the weighted average interest rate up to the nearest $1/8^{\text{th}}$ %. As a result, the rate on a fixed rate loan will likely go up thus increasing the total loan cost.
- A strategic method to reduce loan cost involves reducing payments on low rate loans so you can increase payments on higher-interest rate loans. In consolidation, all loans become one loan – with one interest rate – there is no opportunity to reduce loan cost via a targeted payment.
- The interest rate on Stafford variable-rate loans changes every July 1st. Consolidating these loans will lock in their interest rates. Consider the timing of your consolidation – are rates expected to increase or decrease this July 1st?

Contact our customer service representatives toll free at 1-866-562-6672 to discuss the advantages and disadvantages of consolidation, or to set up a repayment strategy that is right for you.