

## January 15, 2010 – Financial Friday

### January is Student Loan Awareness Month in North Dakota, talking with Laura Entzel of Student Loans of North Dakota.

#### 1) How do students apply for loans?

To apply for federal student loans, you need to complete the Free Application for Federal Student Aid (FAFSA). This should be done as soon as possible after January 1<sup>st</sup>, each year. With this application you are also applying for federal and state grants and work-study. ([www.fafsa.ed.gov](http://www.fafsa.ed.gov))

#### 2) Is there an event in February where students can get help to complete the FAFSA?

Yes, College Goal Sunday is being held February 21, 2010 in 11 towns across North Dakota. At this free event financial aid experts are on-hand to answer questions and help you fill out the FAFSA. You also can register to win a \$500 college scholarship or laptop computer. College Goal Sunday locations include: Belcourt, Bismarck, Dickinson, Fargo, Fort Totten, Fort Yates, Grafton, Grand Forks, Minot and New Town. The website for more information is [collegegoalnd.org](http://collegegoalnd.org).

#### 3) How much should students expect to borrow?

According to The Project on Student Debt, on average a 4-year undergraduate in North Dakota can expect to borrow around \$21,000. This means the average monthly payment on a 10-year schedule will be around \$235. You should work with a lender you trust and borrow only as much as needed.

#### 4) What are the current interest rates?

There are two types of Federal Stafford Loans, subsidized and unsubsidized. The government pays the interest on subsidized loans while you are in school. The current fixed rate on subsidized loans is 5.6%. Next school year the rate will be 4.5%. Unsubsidized loans have a fixed interest rate of 6.8%.

#### 5) Do borrowers have repayment options?

Students have 4 basic repayment options: Standard 10-year, Graduated Extended and Income Sensitive. Students should contact their lender before they enter repayment to set-up a repayment option that suites them best.

#### 6) What should students do if they have trouble paying their student loans?

If you are having trouble repaying your loans the first thing you should do is contact the lender to work things out. SLND offers many options such as deferments and forbearances which can either reduce or eliminate a student's payments for an agreed upon time frame. Students should also be aware that these benefits will be waived if they default on their loans. Always keep in contact with your lender to avoid default.

#### 7) If people have further questions how do they contact you?

Call us at 1-800-472-2166 extension 5660 or visit our Web site at [starthere4loans@nd.gov](mailto:starthere4loans@nd.gov)