

News Clips

Slight Increase for Variable Loan Interest Rates

The U.S. Department of Education has announced that, beginning July 1, the variable interest rate will rise slightly on loans originated between July 1, 1998 and June 30, 2006.

For Stafford loans originated between July 1, 1998 and June 30, 2006, the interest rate will be 6.62 percent from July 1, 2007 through June 30, 2008, during in-school, grace, or deferment status. Stafford loans in repayment (including forbearance) will have an interest rate of 7.22 percent for the same period. Loans originated on or after July 1, 2006, have a fixed rate of 6.8 percent.

PLUS loans originated from July 1, 1998 through June 30, 2006, will carry an interest rate of 8.02 percent from July 1, 2007 through June 30, 2008. New FFELP PLUS loans originated on or after July 1, 2006 have a fixed rate of 8.5 percent; Direct PLUS loans have a fixed rate of 7.9 percent.

NASFAA Board Adopts Code of Conduct

The National Association of Student Financial Aid Administrators has announced a six-point code of conduct in partnership with New York Attorney General Andrew Cuomo. The new code goes beyond NASFAA's long-standing Statement of Ethical Principles by giving specific advice on "ensuring transparency in the administration of the student financial aid programs, and to avoid the harm that may arise from actual, potential, or perceived conflicts of interest."

"We've expanded our ethical principles to make sure that all of our members understand exactly how they should operate with our business partners," said NASFAA President Dallas Martin. NASFAA will begin a national campaign to inform and educate its members on the details of the new code at its national conference in July.

New FAFSA Tool Forecasts Financial Aid

ED's office of Federal Student Aid has launched a new online calculator called FAFSA4caster for families preparing and planning for college. The FAFSA4caster helps students and their parents calculate eligibility for federal financial aid, including grants. It also reduces the time necessary to complete the FAFSA by pre-populating 51 of the 102 questions on the FAFSA.

The tool, along with a fact sheet and Q & A, is available at www.federalstudentaid.ed.gov/fafsa4caster.html. The FAFSA4caster is not a substitution for the FAFSA, which still must be completed. Unlike the form, though, the online calculator is available before January 1 to help students get an earlier estimate of what to expect.

The screenshot shows the FAFSA4caster website interface. At the top, there is a navigation bar with "Log In" and "FAFSA4caster - U.S. Department of Education". Below this is a search bar and a "START HERE GO FURTHER FEDERAL STUDENT AID" banner. The main content area is titled "Filling Out a FAFSA4caster" and "Fill out a FAFSA4caster". It contains instructions for users to log in or create a new account, and a list of important notes regarding password creation and session expiration. Below the text is a form with several input fields: "The student's Social Security Number", "Re-enter the student's Social Security Number", "The student's full last name", "The student's first name", and "The student's Date of Birth". There is also a section for "Create a Password" with a note that it must be 4 to 8 characters long and include capital and lower case letters.