



## ***Office of Financial Aid***

### **The Credit Crunch and Student Loans**

#### ***Don't React Before Getting the Facts***

Despite some troubling reports in the media, students **will** be able to receive financial aid including federal student loans. The federal government and student loan companies have assured colleges that they will not allow recent developments in the credit markets to prevent students from getting loans. Below is a list of facts about the availability of student aid for fall 2008.

- ✓ **FACT:** Financial aid **will** be available to students. The credit crunch caused by troubles in the real estate lending industry has no effect on most financial aid including (but not limited to) Pell Grants, Federal Work Study, and education tax benefits.
  
- ✓ **FACT:** Students should have no problem getting **federal** student loans.
  
- ✓ **FACT:** Only a few students (some estimate as few as 5%) will have trouble getting **private or alternative** education loans.
  
- ✓ **FACT:** Students can borrow federal Stafford Loans irregardless of income. Needier students are eligible for additional benefits.
  
- ✓ **FACT:** Students can borrow **federal** loans even if they have bad credit or no credit.
  
- ✓ **FACT:** Federal, state and local governments offer a wide range of financial aid for students. Professionals in the financial aid office can recommend many options including (but not limited to) Federal Perkins and PLUS Loans. Private loans should only be used as a last resort.

If you have any other questions or concerns about financial aid or student loans you should contact the Office of Financial Aid locally at 276.328.0139 or toll free at 888.282.9324.