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Applications to the city's top three universities soar

By Rick Jervis
USA TODAY

NEW ORLEANS — As the city struggles to repopulate after Hurricane Katrina, booming numbers of college students are enrolling.

The city's three major universities — Tulane, Loyola and Xavier — have all seen spikes in the number of applications and projected enrollment of their freshman classes this year. Part of the reason: the city's post-Katrina identity as a place to go for young volunteers who want to put a battered community back on track.

"These kids are coming down intent on getting the city back on its feet," said Earl Retif, Tulane's vice president for enrollment. Tulane's applications have skyrocketed from 17,572 applications before Katrina to 34,100 this year, a record for the university, Retif said.

The number of enrolled freshmen at Xavier is expected to jump 20% this year from last year and Loyola is projecting a 44% increase of enrolled freshmen during the same period, according to admissions offices of both schools.

Tulane expects to enroll 1,550 freshmen this year, a 17% increase from last year.

Interest in Tulane was so high among high school students this year that the Office of Admissions purposely shut down its online application page and stopped receiving applications after the number exceeded 34,000 in January, an unprecedented step, Retif said. "It's a pretty phenomenal growth in applications," he said.

The renewed interest in New Orleans-area universities comes just three years after Hurricane Katrina and the ensuing floods damaged many of the city's campuses. Tulane had $650 million in damages and revamped its curriculum and strategy.

New Orleans was inundated with high school volunteers after the storm.

Xavier University regained many of the out-of-state students it lost since Katrina, said Winston Brown, dean of admissions. This year, 70% of incoming freshmen are from outside Louisiana, compared with 30% right after the storm, he said.

Loyola also saw their freshman applications jump from 2,951 in 2007 to 3,567 this year, a 21% increase. This year's applications almost matched the 2004 number of 3,700, said Sal Liberto, Loyola's vice president for enrollment.

The private Jesuit university ramped up its marketing efforts since the storm, including inviting high school counselors from around the country to its campus and offering $1,000 tuition credits to students who visited campus, Liberto said.

"Students know they're coming down to have an adventure," Liberto said. "It's a great time to be part of something ... the rebirth of a city."
Starting today, a change will do you good if you have student loans

Like your driver’s license and your high school diploma, your first student-loan payment is one of those milestones that mark the journey from youth to adulthood.

But if you graduated with lots of debt, this milestone may make you nostalgic for the days when you wore pull-up pants.

Fortunately, a raft of changes that will take effect today will make student loans less onerous for many borrowers.

Here’s a look at the changes:

- Interest rates on unconsolidated student loans issued before July 1, 2006, will drop to 4.21% from 6.62% for the in-school and grace period and from 7.22% for loans already in repayment. Loans issued before July 1, 2006, carry variable rates that are adjusted every July 1. If you’re repaying these loans, consolidating them will lock in a rate of 4.25%.

If you recently graduated and are still in your grace period — the six-month window before you have to start making payments — you can lock in a rate of 3.61%.

In recent months, many lenders have abandoned the consolidation business, citing the credit crunch and cuts in federal subsidies. Though some lenders still offer consolidation loans, “it’s a tighter market out there,” says Lauren Asher, vice president of the Project on Student Debt.

If you can’t find a consolidator, you can consolidate through the government’s Direct Loan program. For more information, go to www.loanconsolidation.ed.gov.

If all your federal loans were issued after July 1, 2006, consolidating them won’t lower your rate, because their rate is fixed at 6.8%. But if you’re considering a career in public service, there’s another reason to consolidate:

Under a college aid bill enacted last year, borrowers who work at least 10 years in public service and make standard or income-contingent payments on their loans during that time will be eligible to have the balance of their federal loans forgiven.

Only payments made after Oct. 1, 2007, count toward the 10-year period. And the payments must be made to the Direct Loan program.

There are two types of federal student loans: Direct Loans, which the government offers directly to students at schools that take part in the direct lending program, and Federal Family Education Loans, which private lenders offer and the government guarantees. If you have FFEL loans, you can qualify for loan forgiveness by consolidating into the Direct Loan program. For more information, go to www.brininfo.org.

- The fixed rate for new subsidized Stafford loans for undergrads will drop to 6% from 6.8%. This change will affect subsidized

Student loans
Rates on subsidized Stafford undergraduate loans from 2008 to 2012. The new rates will be limited to loans taken out after the effective date.

<table>
<thead>
<tr>
<th>School year</th>
<th>Rate on loans taken out after July 1</th>
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<tbody>
<tr>
<td>2008-09</td>
<td>6.0%</td>
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<tr>
<td>2009-2010</td>
<td>5.6%</td>
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<tr>
<td>2010-2011</td>
<td>4.5%</td>
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<tr>
<td>2011-12</td>
<td>3.4%</td>
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</tbody>
</table>

Source: U.S. Public Interest Research Group

Public Interest Research Group’s Higher Education Project. About 5.5 million students take out subsidized Stafford loans every year.

This will mark the first in a series of rate cuts for new subsidized Stafford loans [see box]. The rate for unsubsidized Stafford loans — available to all college students regardless of financial need — will remain at 6.8%.

- Students will be permitted to borrow an additional $2,000 in unsubsidized federal student loans each year. If you’ll be a freshman in college this year, for example, you’ll be able to borrow up to $5,500 in federal student loans, up from $3,500 last year.

If you’re planning to borrow for college this fall, make sure you take advantage of the higher limits before taking out any private student loans, Asher says. Private loans typically carry higher rates and fees than federal student loans.

- Federal loans for parents of college students will become more attractive. The Parent Loan (PLUS) program offers a way for parents to fill the gap between a child’s financial aid and the cost of college. The loans carry an 8.5% fixed rate, making them cheaper than most private loans. But in the past, many parents still opted for private loans, because PLUS loans required borrowers to start making payments 60 days after the loans were disbursed, unless the lender agreed to defer payments. Most private lenders let borrowers defer payments until the student graduates.

Starting July 1, though, parents will have the option of deferring payments on PLUS loans until after graduation, says Luke Swarthout, higher education associate at PIRG.

Interest will accrue on the loans during deferment. Still, Swarthout says, the change should appeal to parents who want more flexibility in the repayment of their loans.

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