

## **E-UPDATES**

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**E-UPDATES** is a semi-monthly electronic newsletter sponsored and operated by the Student Loan Guarantee Foundation of Arkansas (SLGFA) to provide program information to schools and lenders participating in the Federal Family Education Loan Program (FFELP). If you would like to search SLGFA's past **E-UPDATES** publications by topic, click on the following link: <http://www.slgfa.org/slgfa/pubs/search.asp>.

### **IN THIS ISSUE:**

On Thursday, January 24, 2002, the U.S. House of Representatives overwhelmingly passed S. 1762, a bill that continues the current interest rate formula for students and lenders and ensures the long-term stability of the Federal Family Education Loan Program. This bill, which unanimously passed in the Senate on December 14, 2001, will now be sent to the President for signature.

"The Student Loan Guarantee Foundation of Arkansas (SLGFA) is very pleased with the passage of this bill which will ensure the availability of student loan funds to Arkansas student and families. The current formula, which has provided the lowest interest rate in history, will stay in place until 2006," stated SLGFA's Executive Director, Ronnie Nichoalds.

Under the measure, the current student loan interest rate index would be extended to 2006. Interest rates for student loans disbursed on or after July 1, 2006, would be fixed at 6.8 percent, and parent loan interest rates would be fixed at 7.9 percent.