

Pa

For additional information, please visit our Web site or contact our office at:

www.mistudentloans.com

E-mail: MHESLA@michigan.gov

Michigan Higher Education
Student Loan Authority
P.O. Box 30051
Lansing, MI 48909

Telephone: 517-373-3662
Toll free: 888-MHESLA-1 or
888-643-7521

The Michigan Higher Education Student Loan Authority reserves the right to revise or discontinue offering the Michigan Students First program at any time.



Michigan Higher Education Student Loan Authority

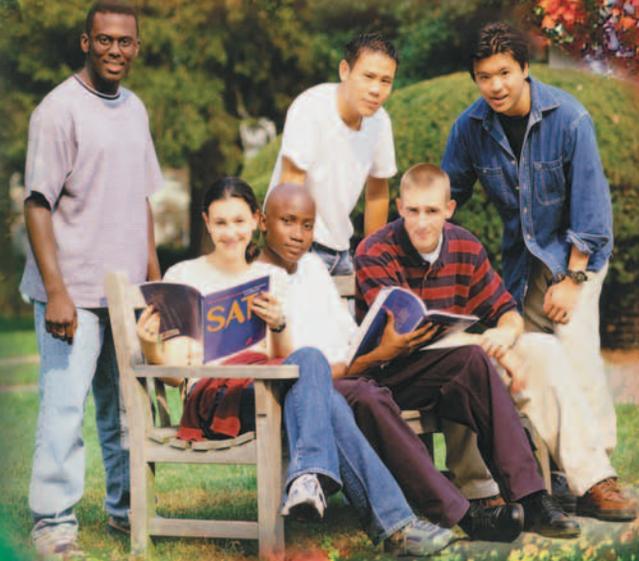
www.mistudentloans.com



The Michigan Department of Treasury is committed to providing equal access to all persons in admission to, access to, or operation of its programs or services. Individuals with disabilities needing accommodations for effective participation are invited to contact the Michigan Higher Education Student Loan Authority at 888-643-7521. TDD callers may access our office through the Michigan Relay Center at 800-649-3777 to request mobility, visual, hearing, dietary, or other assistance.

This material was prepared by the Michigan Higher Education Student Loan Authority (MHESLA) under the authority of Act No. 222 of the Public Acts of 1975, as amended, and printed in compliance with Executive Directive 1991-96. MHESLA complies with all federal laws and regulations prohibiting discrimination and with all requirements and regulations of the US. Department of Education.

07/2006



*Premier Student
Loan Benefits*



In an effort to make college education more affordable for Michigan families, the Michigan Higher Education Student Loan Authority (MHESLA) is proud to offer an exclusive borrower benefit to save you money on your student loans.

Michigan Students First benefits include:

- Payment or Reimbursement of the Loan Origination Fee
- Reduced PLUS Loan Interest Rate of 7.9%
- Zero Percent (0%) Interest Rate

Loan Origination Fee

The federal loan origination fee will either be paid on your behalf by your lender or your loan will be credited with an amount equal to the origination fee after it has been fully disbursed.

NEW Reduced PLUS Loan Interest Rate of 7.9%

Effective July 1, 2006 - Additional Michigan Student First Benefit

The Federal PLUS Loan interest rate is 8.5%. With Michigan Students First, Federal PLUS Loan borrowers receive a reduced interest rate of 7.9% on their loans. If your loan becomes delinquent, the interest rate will be raised to the statutory rate.

Zero Percent (0%) Interest Rate

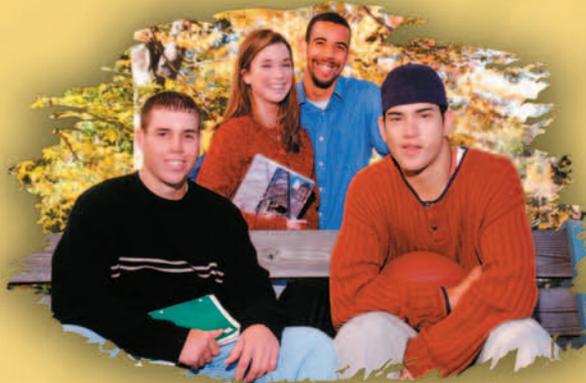
Make your first 36 monthly payments on-time, and after the 36th on-time payment, the interest rate on your loan will be reduced to zero percent (0%).

The zero percent interest rate will continue as long as your loan remains current. Otherwise the interest rate on your loan will revert back to the applicable statutory rate. You can keep your loan current by making on-time payments or, if eligible, by deferment and/or forbearance.

How Do You Sign Up?

You don't! When you receive a Federal Stafford or PLUS Loan from MHESLA or a lender that participates with MHESLA's State Secondary Market, you automatically qualify for Michigan Students First. Eligible Federal PLUS Loans include loans to *both parents and graduate or professional students.*

That's it... Simple - Automatic!



Consolidation Loans

Federal Consolidation Loans do not qualify for Michigan Students First. Therefore, borrowers will lose their zero percent interest benefit if they consolidate their Michigan Students First loans. Please be aware that the current statutory interest rate, *and not the zero interest rate*, will be used to calculate the consolidation loan interest rate.

Great Borrower Savings

Your savings depend on the amount of eligible student loans you have and the length of repayment. Following are examples of the approximate savings available through Michigan Students First.

Federal Stafford Loans

This example uses the 6.8% federal interest rate and a ten-year repayment period.

Loan Amount	Origination Fee	Interest	Savings
\$ 5,000	\$100 +	\$ 995 =	\$1,095
\$10,000	\$200 +	\$1,990 =	\$2,190
\$15,000	\$300 +	\$2,984 =	\$3,284

*Loan origination fee from 7/1/06 through 6/30/07.

Federal PLUS Loans

This example uses the 8.5% federal interest rate and a ten-year repayment period.

Loan Amount	Origination Fee	Interest	Savings
\$ 5,000	\$150 +	\$1,291 =	\$1,441
\$10,000	\$300 +	\$2,582 =	\$2,882
\$15,000	\$450 +	\$3,873 =	\$4,323

Electronic Payment Savings

If you would like to save even more, sign up for Electronic Payment Savings (EPS) and receive a one-quarter of one percent (.25%) interest rate reduction while making your first 36 monthly payments. Through EPS the amount of your payment is automatically deducted each month from your checking or savings account. Once your interest rate has been reduced to zero, EPS still provides you with the convenience of automatic payments.

Participating Lenders

Contact us to request a list of the lenders that participate with MHESLA's State Secondary Market.