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Montana Students to Reap the Benefits of MHESAC Bond Financing

(HELENA) Montana students are poised to receive essential student loan funding and exclusive borrower benefits for the 2008 Academic Year thanks to a \$175 million bond financing completed recently by the Montana Higher Education Student Assistance Corporation (MHESAC).

“We are particularly excited about the success of this bond financing because, not only will it allow us to fund loans for the upcoming academic year, but we can provide a full slate of benefits to borrowers who took out loans between Oct. 1 and Dec. 31 last year,” said Jim Stipcich, president of MHESAC’s business manager, Helena-based, nonprofit Student Assistance Foundation.

Stipcich explained that MHESAC originally limited borrower benefits to Montana students who took out Montana’s Choice loans last fall due to changes in the student lending market. Overall, student loan companies cut borrower benefits drastically in an effort to weather regulatory modifications enacted by Congress.

Now, Montana’s Choice borrower benefits for the 2008 Academic Year include no-fee Stafford loans, fee rebates on PLUS and Graduate PLUS loans, interest rate reductions and more.

“We believe these competitive Montana’s Choice products — available through trusted lenders across the state — demonstrate MHESAC’s commitment to Montana students,” he said. “We’re proud to provide students with a reliable source of funding to help them attain their dreams of postsecondary education.”

Over the past two decades, MHESAC has provided more than \$2.35 billion in capital, benefiting more than 150,000 Montana students and lowering the cost of financing higher education by more than \$35 million.

Funds involved in the December financing included \$100 million of 2007 volume cap recently approved by the state of Montana and \$75 million of carry-forward allocation from the 2006 volume cap. Volume cap refers to tax-exempt, private activity bonds distributed annually by the state to designated recipients, including MHESAC.

Montana Higher Education Student Assistance Corporation is a 501(c)(3) nonprofit corporation organized under Section 150(d) of the U.S. Tax Code. MHESAC is dedicated to ensuring access to student loans and lowering the cost of financing postsecondary education by providing capital in the Federal Family Education Loan Program (FFELP) student loan secondary market, loan origination activities and borrower rebate programs. For more information, visit www.mhesac.org.