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Recommended Citation

University of Montana–Missoula. Office of University Relations, "Students at all Montana colleges eligible now for federal loans" (1967). *University of Montana News Releases, 1928, 1956-present*. 3050. <https://scholarworks.umt.edu/newsreleases/3050>

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NEWS

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STUDENTS AT ALL MONTANA COLLEGES ELIGIBLE NOW FOR FEDERAL LOANS

MISSOULA--

All Montana college students are now eligible to receive loans through a newly instituted program, according to Jerry Murphy, financial aid officer of the University of Montana.

At a meeting held in Missoula recently, John O'Connor, program officer of the office of education, Denver, said federal funds allotted Montana last fall which have been backing student loans are now depleted, and it is necessary to implement the Federal Insured Loan program. Implementation of this program will assure all Montana students access to financial assistance, especially for loans needed to complete the school year, O'Connor said.

Under the Federal Insured program, an undergraduate enrolled and in good standing at an eligible school may borrow up to \$1,000 annually and to \$1,500 as a graduate. All colleges and junior colleges in Montana are eligible, Murphy said.

The maximum interest rate charged in the program is six per cent simple interest per year. For students whose adjusted family incomes are less than \$15,000 a year, the federal government will pay all interest accrued before graduation, and after graduation, the government will pay three per cent of the remaining interest while the borrower pays the principle and remaining three per cent.

Students whose adjusted family incomes are greater than \$15,000 a year may borrow, but they must pay all of the interest.

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Loan repayments begin not earlier than nine months, but no later than 12 months after graduation or withdrawal from school. Repayment may be deferred if the borrower is in the armed services, the Peace Corps, Volunteers In Service To America or a full-time student at an eligible school, according to Murphy.

Under the new program, students apply for loans at their college and the money is loaned to them through Montana banks. This program was formerly called the United Student Aid program, according to Murphy.