

Interest rates for student loans will increase July 1st, creating an opportunity to save money for those who act quickly and to some, a headache for those who don't. UW-L Chancellor Joe Gow says it's an issue they are paying close attention to.

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On July 1st, the interest rate for Stafford loans will increase to 6.8% from 5.3% and the rates for a Plus Loan will increase to 8.5% from 6.1%. The plan also increases borrowing limits for first- and second year undergrads and all graduate students. The planned rate hikes are part of a budget plan to cover the cost of Hurricane Katrina relief and continued efforts to cut the federal deficit.