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Expanded College Tax Credit Available to Students, Families
New American Opportunity Tax Credit Increases Potential Savings for 2009, 2010

WEST DES MOINES, IOWA (March 10, 2009) — More college students and their families may qualify for education tax credits in the next two years with the new American Opportunity Tax Credit, according to Iowa Student Loan® officials. The tax credit expands the Hope credit for 2009 and 2010 tax years as part of the economic stimulus plan signed last month by U.S. President Barack Obama.

“In an economic environment where students are finding it increasingly difficult to pay for college, this tax credit will hopefully provide added assistance,” said Steve McCullough, chief executive officer of Iowa Student Loan. “We encourage college students and their families to consult their tax advisers, who will help them determine if they qualify for these additional savings.”

A temporary measure at this point, the American Opportunity Tax Credit increases the maximum tax credit by \$700 per year per student from the 2008 Hope credit. This means, instead of receiving a maximum of \$1,800, students and families could potentially receive \$2,500 in tax credit for 2009 and 2010. Juniors and seniors who have exhausted their eligibility for the old Hope credit will also be able to claim the more encompassing credit over the next two years.

As part of the stimulus expansion, income limits have been raised, thus allowing more families to qualify for the credit. A refundable option means that some families who don't owe income tax can receive a tax refund rather than the dollar-for-dollar reduction recipients of the tax credit get.

The existing Hope tax credit is available to families who still need to file 2008 taxes. In addition, this credit has been doubled for families of Iowa college students who live in a county affected by one of 2008's natural disasters.

Families must meet certain qualifications for income, education costs and eligibility and may receive a percentage less than the maximum for any of the educational tax credits. Iowa Student Loan encourages families to discuss their specific circumstances with a tax adviser.

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About Iowa Student Loan

Since 1981, Iowa Student Loan[®], a private, nonprofit organization, has helped Iowa students and families obtain the resources necessary to succeed in postsecondary education. Iowa Student Loan is currently assisting more than 300,000 customers pay for college. The organization, based in West Des Moines, Iowa, also provides benefits in the form of discounted loan products, loan forgiveness programs and free college planning services for students and their families. For more information about Iowa Student Loan, visit www.studentloan.org.