

Website Resources

US Department of Education:

www.ed.gov

www.fafsa.ed.gov

1-800-433-3243

Equal Justice Works:

www.napil.org

1-202-466-3686

Peace Corps:

www.peacecorps.gov

1-800-424-8580

Sallie Mae Foundation:

www.salliemae.com

1-888-272-5543

Direct Loan Servicing Center:

www.dlsonline.com

1-800-848-0979



Phone: 800-994-3328

Fax: 800-492-3150

www.familycredit.org

www.teachmeaboutcredit.org

The goal of this publication is to provide financial education to consumers. The contents may address legal issues but it should not be treated as legal advice. Such advice can only be properly given by qualified professionals who are fully aware of the reader's individual circumstances. All information is deemed accurate and reliable at time of release. We are not

Student Loan Repayment Guide



www.familycredit.org

So you finally have your college degree? Congratulations!

A college degree can open the door to your dream job and ensure financial security. You may ask, "What about my student loans? How can I afford the payments?" Living with student loans is not as difficult as you may think. Following are ways to make your student loan payments less burdensome.

Recent College Graduates

Remember, in most cases, you are allowed at least six months after graduation before you have to start repaying your student loans. This should give you time to find a job and a place to live before you start making payments.

When You Have Financial Difficulty

Perhaps you have not had success at finding a job or you are starting out in a low-income, entry-level position within an organization. Most lenders will work with you to find a repayment solution to fit your budget.

- **Forbearance and Deferment**

You may qualify for a temporary forbearance or deferment, which would allow you to suspend payments on your loan for a period of time.

Deferment is a time period in which you are not required to make loan payments. You may qualify for deferment if you are unemployed, attending school at least part-time, on parental leave due to childbirth, or on temporary disability to name a few.

If you are not eligible for deferment, apply for loan forbearance. Forbearance is a temporary stop or reduction of payments that may be granted in cases of financial difficulty.

Please note, in either case, interest may accrue during the time of payment suspension. Speak with your lender for further details.

- **Interest-Only Payments**

Some lenders allow interest-only payments on the loan. This will free-up funds to cover immediate expenses, while extending the repayment period.

- **Income Contingent Repayment Plans**

This option will allow your payments to increase, as your financial situation improves. The lender will examine your household budget to determine what type of payment you can afford. Contact your lender to see if an income contingent repayment plan may be right for you.

- **Consolidation**

Finally, you may consider consolidating your student loans. Consolidation combines several loans into one payment. Contact Sallie Mae or the U.S. Department of Education for more information on this topic. Please note it is almost never a good idea to consolidate your student loans with a credit card. Even if you are guaranteed a low, fixed-interest rate, a creditor may raise that rate as long as they provide you with written notice or if a payment is missed.



Other Resources

- **Volunteer Organizations**

Join the Peace Corps, AmeriCorps, or Volunteers in Service to America (VISTA). While making a difference in your community, you may be able to defer your loans during your time of service and qualify for cancellation of up to 30% of your Perkins' loans.



- **National Defense Education Act**

Those who teach full-time in school districts serving low-income families may qualify for forgiveness of their Perkins loans. Teach up to five years and you may have up to 30% of your loan forgiven. You can contact your school's administration office to see which schools are eligible.

- **Equal Justice Works and National Health Service Corps**

Under the Equal Justice Works program, law schools may forgive student loans for those who serve in non-profit positions. Check out www.napil.org or contact your law school's financial aid office for more information. Also, doctors who practice medicine in underserved areas for two years (rural and urban), may qualify for loan forgiveness programs with the National Health Service Corps.