Understanding Student Loan Repayment

Most students borrow a combination of private and federal loans while attending college. After you've graduated you have a grace period of 6 to 8 months before you have to start repaying those loans. It is important that you know all of your options for repayment and have done the research to learn which option is best for you.

Federal Loans

Federal loans are the Subsidized and Unsubsidized loans that you received with your financial aid package. To see how much you have borrowed and to get information about your servicer, the first place to go is nsls.ed.gov. Federal loans offer many different repayment plans for students. Choosing the payment plan that is right for you is critical in maintaining healthy finances after you graduate. You can contact your loan servicer for free to discuss your options for repayment.

Who is Your Loan Servicer?

Repayment Plans include:
- The Standard Repayment Plan
- The Graduated Repayment Plan
- Extended Repayment Plan
- Income-Driven Repayment

Not sure how much you’ll have to pay after you graduate or which repayment option is right for you? Use the Federal Student Aid Repayment Estimator here:
https://studentloans.gov/myDirectLoan/repaymentEstimator.action

Loan Consolidation

You do have the option to consolidate your federal loans, but you must consider your individual circumstances before making this decision. Consolidating can simplify payment if you have federal loans with several different loan servicers. It may also lower your monthly payment by giving you a longer period of time to pay your loans. This can be both a benefit and a disadvantage because you will likely pay more interest over the lifetime of the loan.

Is Loan Consolidation Right for You?
Deferment or Forbearance

In some cases, you may be able to receive deferment or forbearance that allows you to temporarily stop making payments or reduce the amount of your federal loan payments. You will have to request deferment or forbearance through your loan servicer and provide documentation that you meet the requirements.

What is Deferment and Forbearance?

Private Loans

For private loan repayment, you usually pay the loan company directly. In general, private lenders have less flexible repayment options than the federal loans, but it can be helpful to contact the lender directly to discuss all options for repayment and consolidation.

Private Loan Repayment