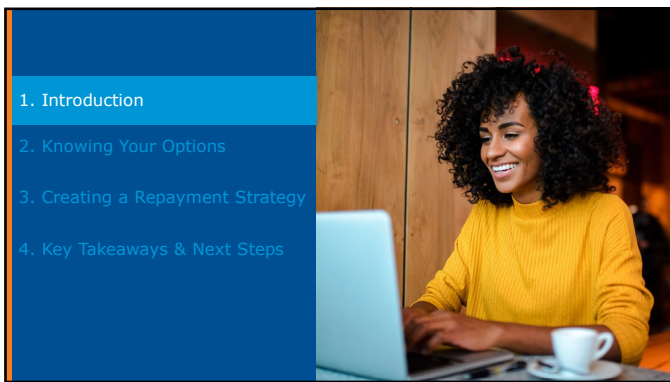
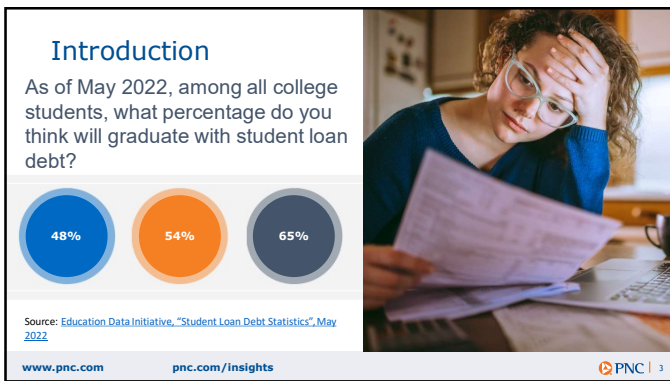




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Why Repaying Student Loans on Time is Important

- 1 Helps you build a stronger credit score
- 2 Allows you to save more money earlier in your career
- 3 Protects your cosigner's financial obligation

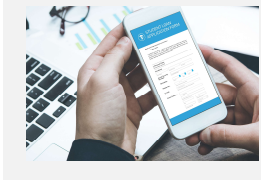


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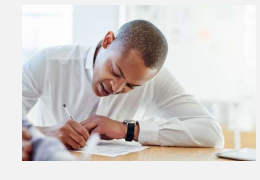
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Understanding Your Student Loan Type: Federal vs. Private

Federal Student Loan
Funded by the federal government



Private Student Loan
Non-federal loans made by a lender such as a bank, credit union, state agency, or a school



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When Repayment Begins



Federal Student Loans

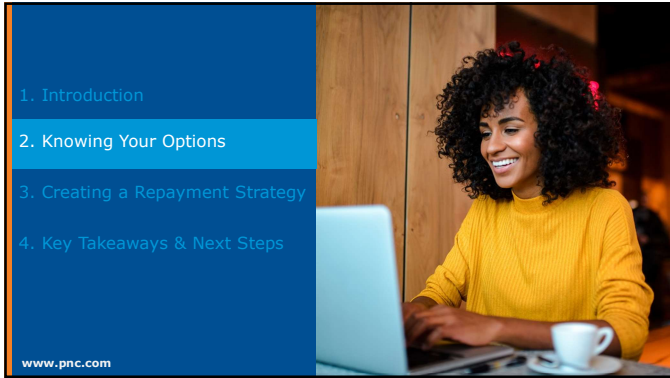
- Principal and interest payments begin six months after the borrower graduates, leaves school, or drops below half-time attendance (this is known as the "grace period")

Private Student Loans

- Depends on what repayment you chose for your private loan
- Your loan may also have 6-month grace period

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Knowing Your Options: Repaying Federal Student Loans

<p>1 Standard Repayment</p> <p>Fixed payments ensure loans are paid off in 10 years</p>	<p>2 Graduated Repayment Plan</p> <p>Reduced initial payments gradually increase every 2 years to ensure loans are paid off in 10 years</p>	<p>3 Extended Repayment Plan</p> <p>Fixed or graduated payments ensure loans are paid off in 25 years</p>
<p>4 Income Driven Repayment Plan</p> <p>Pay 10-15% of discretionary income, divided by 12, until loan is repaid</p>	<p>5 Direct Consolidation Loan</p> <p>Multiple federal student loans are combined into a single monthly payment</p>	

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Knowing Your Options: Repaying Private Student Loans

<p>1 Standard Repayment</p> <p>Scheduled monthly payments over a term, typically 5-15 years</p>	<p>2 Additional Payments</p> <p>Pay more than what is required each month to pay down debt faster and save on interest</p>
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Knowing Your Options: Consolidation and Refinancing

	Federal Consolidation Loan	Private Refinance Loan
Extended Repayment Term	Yes	Yes
Lower Interest Rate	No	Yes
Fixed or Variable Rate	Fixed	Both
Access to Federal Loan Protections	Yes	No

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Knowing Your Options: Refinancing Federal or Private Student Loans

Advantages

- Potential savings by lowering the interest rate and/or shortening the repayment term
- Consolidate multiple loans into one
- Release a cosigner

Disadvantages

- Federal loan repayment options may be lost
- Depending on interest rate and payment schedule, you could pay more interest over the long term

Consider your current financial picture when exploring the right refinance option for you.



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Deferred Payments and/or Forbearance Options



Deferment and forbearance options allow you to temporarily postpone or reduce federal student loan payments.

Deferred Payments:

A temporary postponement of payment on a loan that is allowed under certain conditions and during which interest generally does not accrue on certain types of student loans

Forbearance:

Your lender may grant you a forbearance if you are willing but unable to make loan payments due to certain types of financial hardships (interest accrues during forbearance)

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One-Time Student Loan Debt Relief by the U.S. Department of Education (DOE)

Visit studentaid.gov for the latest information.

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4. Key Takeaways & Next Steps



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Creating a Repayment Strategy:
Manage Your Budget

- Helps you plan for covering your expenses
- Makes it easier to pay down student and other large debt
- Enables more disciplined saving for future financial goals



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Creating a Repayment Strategy: Manage Your Budget

- 1 Find a format you like
- 2 Gather general spending information
- 3 Allow yourself time and flexibility



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Creating a Repayment Strategy: Prioritize Payments


- 1 Focus payments on debt with highest interest rates first
- 2 Stick to a standard repayment plan when possible
- 3 Consider refinancing to lower payments
- 4 Enroll in auto pay



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Key Takeaways & Next Steps

- 1 Review the type of loan you have and determine which type of repayment option is best for you, including refinancing
- 2 Evaluate your financial situation and consider the best approach to paying off your debt
- 3 Consider setting up automated payments
- 4 Contact the servicer to learn more about the specifics of your student loan



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Student Debt Resources

studentaid.gov

Visit the US Department of Education Federal Student Aid site for more information on:

- How to Find Federal Student Loan Servicer (*Students can also call the Federal Student Aid Loan Center at 1-800-433-3243*)
- How to Estimate Federal Student Loan Payments, Choose a Loan Repayment Plan or Explore Federal Loan Consolidation
- COVID-19 Emergency Student Aid Relief Reminders
- Latest Information on Student Loan Debt Relief

annualcreditreport.com: Free Annual Credit Report

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