

GuidanceResources[®] Online

5 Things to Know About Your Student Loans

After graduation, there are some important things to know about your student loans.

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Types of Loans

If you attended college and used loans to pay for school, you may have one or more of the following loans:

- Federal loans
- Private loans
- State loans
- Loans from your school
- A combination of the different types

Different loan types have very different terms and conditions, so make sure you know the type of loan you have.

If you have federal loans, you can likely find your loan information online. There, you should be able to access a list of your federal student loans, including the loan type and information for your loan servicer. A loan servicer is a company that will handle the billing and payments on your federal student loans.

More information on federal student loans can be found at <https://studentaid.gov/h/manage-loans>

For all other types of loans, consult your records, or try contacting the financial aid office of the school you were attending when you took out the loan.

Your Loan Balance

After you have determined the types of loans you have, you will need to determine your total balance. This information will be useful in developing your loan repayment plan. The balance for your federal loans should be available online. For your other loans, you may need to contact your lender.

Your Loan Interest Rate

A student loan is just like any other loan – it is borrowed money that will have to be repaid with interest. As interest accrues, it may be added to the total balance of your loan if left unpaid. Some loans have grace periods, which provide an amount of time after you leave school before you have to start repaying your loans.

Some loans require an immediate repayment schedule as soon as you leave school or cease to maintain at least half-time student status. If you are a recent graduate, or if you recently left school, you may want to consider making student loan interest payments during your grace period to save money on the total cost of your loan.

Options for Repaying Your Loans

Repayment options vary by loan type.

Federal student loans offer the greatest variety of repayment options. Options include income-based repayment, income-contingent, extended repayment terms or consolidating multiple federal loans into one for repayment. These repayment options often lead to a lower monthly payment; however, they result in higher overall cost for the loan. Under certain circumstances, federal loans may be forgiven, canceled or discharged. For more information on repaying federal loans, visit <https://studentaid.gov/manage-loans/repayment/plans>

For non-federal loans, consult your lender to determine what types of repayment options are available to you.

Terms and Conditions for Loan Repayment

Learn and understand the payment options for all of your loans. Look for ways to reduce the cost of your loans by:

- Reducing interest charges by enrolling for automatic debit
- Paying more than your required monthly payment
- Knowing your options for loan forgiveness, cancellation or discharge.

Resources

- Federal Student Aid: <http://studentaid.ed.gov>
- U.S. Department of Education: www.ed.gov

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