



Credit Card Management Services, Inc. | Non-Profit Housing & Credit Counseling Organization

A dark purple graduation mortarboard with a gold tassel is positioned diagonally across the frame. The background is a close-up, slightly blurred view of several US dollar bills, with the '100' and 'ONE HUNDRED' text clearly visible. The text 'HOW TO PAY OFF YOUR STUDENT LOAN DEBT AND MOVE ON WITH YOUR LIFE' is overlaid in large, bold, white capital letters on the mortarboard.

# HOW TO PAY OFF YOUR STUDENT LOAN DEBT AND MOVE ON WITH YOUR LIFE

People go to college with hopes it will improve their career opportunities and lead to long-term wealth. Many students take out loans to pay for college, but end up being saddled by this debt for years or decades.

If you're struggling with student debt, you're not alone. Student loan debt is a huge burden on Americans, with around \$1.2 trillion owed in total and the average borrower owing \$26,000 after graduation.

Carrying student debt can keep you from achieving a high standard of living and collecting wealth assets, such as a home. The sooner you can get rid of your loan payments, the sooner you can free up your income for other expenses and savings. Plus, failure to pay back your student loans on time and in full can damage your credit.

In this guide, we will share how to lessen the stress of student loan debt by making a plan for paying it back quickly.





## Choose the Best Repayment Plan

Depending on whether you have federal or private loans, you will have many options for how your repayments are structured.

For federal loans:

- ✓ Use the [Federal Student Aid Repayment Estimator](#) to see which options are available for your repayment structure.
- ✓ Check if you qualify for income-based repayment, which ensures you will not be required to pay more than you can afford based on your income.
- ✓ Perhaps you need a short-term financial fix between jobs or other financial crisis? You can also find out if you are eligible for a [deferment](#) or forbearance, which is a period of time where your loan is delayed or stopped temporarily.

For private loans, check with your individual lender for repayment requirements & options.

## Strategize Paying Off Multiple Loans

If you have an advanced degree or had no outside help to pay for college, chances are you have a handful of student loans. Tackling multiple loans can feel overwhelming.

The best approach for you depends on your total debt amount, which loans have the largest balances, and how much interest you are paying on your loans.

Here are a few popular strategies:

- ✓ **Consolidate your loans.** Look into combining all of your loans. This can make your debt feel less overwhelming while possibly securing you a lower overall interest rate and/or a lower payment.
- ✓ **Focus on one debt at a time.** Another strategy is focusing on paying down one debt at a time, starting with your highest interest loan. This can help give you a sense of accomplishment as you pay down each loan.
- ✓ **Start with your private loans.** If you have a mix of federal and private loans, pay off the private loans first since they have higher interest rates and more stringent repayment plans.

If you are unsure about how much you owe and which loans you have, review your loan information on [National Student Loan Data System](#).

Consolidating student loans with the U. S. Department of Education is free of charge. However, if you ask professionals to prepare the paperwork for you, prepare to pay a fee like you would pay a fee to a tax preparer for doing a tax return.

## Determine Your Payment Amount

Many financial experts recommend putting 10% of your income after taxes toward student loan repayment. However, it is important not to pay more than you can afford. Striking a balance between a payment amount that requires you to make a few sacrifices while also being able to afford your other essential expenses is ideal.

- ✔ Use our budget tool to track your monthly expenses and see how much extra money you have left over after paying for essential items like housing, insurance and food.
- ✔ Make it a goal to pay more than the minimum payment amount each month. Only making minimum payments means it will take longer to pay off your debt, and therefore you will accumulate more interest over time.
- ✔ Consider scheduling your payments biweekly instead of monthly to have less money going out at one time, which may make your payments more manageable.

## Cut Back on Expenses

Imagine being able to pay off your student loan debt in a few years versus twenty all because you made some temporary sacrifices on your expenses. Below are some of the best ways you can trim your expenses and put more money toward your student loan repayment.

### Housing:

A change in housing can save you thousands of dollars over the years. Consider downsizing or moving to a less expensive part of town. For single people, look into getting a roommate. Couples in larger homes or with a basement can bring in a lot of extra income by renting out a room.

### Transportation:

Car payments, car insurance and gas can all be huge expenses each month. If you and your significant other both have cars, consider selling one of your cars and only having one car between the two of you. If you are lucky enough to live in an area with good public transportation, start using your car less or get rid of your car altogether. Biking is another great way to decrease your car usage while also getting exercise.

### Cable:

Consider getting rid of cable or reducing the channels and features you have. If you can't part with your favorite TV shows, look into a subscription service like Hulu or Netflix that will cost significantly less than cable while still allowing you to have a large selection of TV shows and movies.

### Phone:

Thanks to cell phones, many people no longer feel like they need a landline. Consider cancelling your landline phone and using your cell number as your main point of contact. You can also look into lowering the cost of your cell phone plan, such as getting rid of unlimited data for a cheaper plan.

While some of these may seem like major changes, the temporary adjustment to your lifestyle will be worth it in the end when you are debt free.

## See if Your Job Offers Student Loan Assistance or Forgiveness

Many companies and career fields offer opportunities for student loan assistance up to a certain amount. And while it may sound too good to be true, some jobs will even pay back your debt in full or make you eligible for student loan forgiveness. Some private corporations offer student loan assistance programs as a benefit to their employees. Be sure to check with your human resources department to see if this is available where you work.

If you are in any of the fields below, moving to a public sector or a non-profit job in the same industry or relocating to an underserved area may make you eligible for student loan forgiveness, or at the very least a generous student loan repayment assistance program.

### Government jobs:

Many full-time federal and local government careers offer student loan forgiveness programs for certain types of loans or loan assistance programs (in which they will help you pay back a certain amount of your loans each year). Qualifying fields may include among others:

- ✓ Law Enforcement
- ✓ Public Health
- ✓ Emergency Services
- ✓ Military

### Teaching:

Depending on your state and county, your school district may offer a student loan assistance program. Some teachers may qualify for loan forgiveness, such as those working in low income or rural areas.

### Nursing:

In exchange for working in underserved areas, registered nurses may qualify for a student loan repayment program for up to 60 percent of their nursing school loans through NURSE Corps.

### Legal:

Lawyers working in the public sector, such as a public defender, may be able to have their law school loans forgiven or reduced. Check with the American Bar Association for more information about loan repayment for public sector and non-profit legal careers.

### Volunteering:

Organizations such as AmeriCorps and Peace Corps offer student loan forgiveness if you agree to serve for a certain length of time.

## Work with DebtHelper.com

Do you feel overwhelmed by your student debt? At DebtHelper.com, a DebtHelper.com Advisor can help you prepare an application for Student Loan Repayment Programs for a fee.

For a **free consultation** to discuss your eligibility, call us at **(800) 920-2262** or **fill out our contact form.**



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