

COLLEGE LOANS

Expert Advice On Student Loan Repayment

(NAPSA)—Here are two bits of good news for recent and soon-to-be college graduates with student loans:

1. You probably have a six-month grace period after graduation before you have to start making payments.

2. While adding a new payment of any kind into your life can be daunting, the vast majority of Americans with student loans do successfully pay them off, due, in part, to the value of their college education.

These student loan repayment tips can help you be among them:

• **Contact your servicer.** Some students have more than one loan, so it's best to contact each servicer to discuss your payment options. The servicer can also help identify alternatives if you're experiencing difficulty.

• **Pay every month, and pay extra when you can.** Make payments every month. Options to postpone payments typically mean you'll pay more over the life of the loan, so tackle your payments now. Whenever you can, pay extra to reduce your interest costs and pay off faster. Put money from a raise or bonus toward your student loans.

• **Create a budget.** Know how much is due every month and create a budget that's in sync with the amount due. Get the big picture when creating your budget.



Once you graduate from college, you may have a few months before you have to start repaying your student loans.

Put together a snapshot of all your financial obligations, including your credit cards, car loan, student loans and rent.

• **Pay yourself.** Build an emergency savings fund of \$500 to \$1,000 to be prepared for car expenses, an emergency trip or life's other unexpected expenses.

• **Sign up for auto-pay.** Automatic payments not only make sure you never miss a payment, but servicers such as Sallie Mae, the nation's No. 1 financial services company specializing in education, may reduce your interest rate if you pay by automatic debit. It's peace of mind with a bonus.

• **Learn more.** Go to www.SallieMae.com.