

Graduation 101: Repaying Student Loans

(NAPSA)—You have earned a college diploma...now what?

In addition to beginning a career and a new life, it also may be time to start repaying your student loans.

When a student graduates from college, leaves school or drops below half-time enrollment, he triggers the process to begin repayment on student loans. In some instances, there may be a short period of time—up to six months—before they need to begin making payments. Regardless, it is important to proactively manage your education debt and put yourself on the path toward a successful repayment experience. Says Martha Holler, a spokesperson from Sallie Mae, the nation's No. 1 paying-for-college company: "Managing your student loan repayment will help you build good credit history, which will, in turn, make getting your next loan—for a car, house or further education—that much easier."

Unlike other types of consumer debt, student loans typically come with offers of interest-rate reductions or account credits that reward the borrower for timely payments, making it all that more important to get in the habit of paying student loan payments on time. Why not take advantage of these incentives and save money while you build your good credit?

There are a variety of ways to make your student loan payment. Holler advises graduates to consider a repayment plan that is



consistent with their income, lifestyle and other debt obligations. In addition, students may prepay student loans, if possible, with no penalty. There are several loan forgiveness programs available to those who pursue certain careers in select areas. Educate yourself to see whether you can qualify to have your loans completely discharged.

"There are many payment relief options available," adds Holler. "If you experience financial difficulty, contact your lender immediately so that you can take advantage of the options available to you. The earlier you take action, the more options you will have and the less likely it is that your temporary financial difficulties will have a long-term negative impact."

For borrowers having difficulty making their payments, there are repayment and deferment options that can ease the burden, especially for new graduates. Sallie Mae borrowers can learn about all of the repayment options available to them, as well as access their accounts online, at www.salliemae.com.

Note to Editors: This article is one in a series of articles on college preparation and financing from Sallie Mae, the nation's No. 1 paying-for-college company.