

*you
got
this*

Student Loan Success Guide

POWERED BY

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Education is the most important investment in your future.

Congratulations on investing in you.



Why Finish School?

Countless studies and research show that investing in a college education can dramatically improve your future.

+66%

More money earned with a bachelor's degree than a high school diploma

2020

Year when two-thirds of job openings will require postsecondary education

+19%

Higher employment rates for college graduates than just a high school diploma

\$1 Million

More total lifetime earnings with a bachelor's degree

Don't leave school without a degree or a certificate!

You will still have to repay your student loans but won't have the advantages and income earning potential that a degree offers.

Data from the US Department of Education and the National Center for Education Statistics.

Who We Are

GetWisEdu is a non-profit organization of student loan professionals. We have more than 35 years of experience assisting students in successfully repaying student loans. We are here to help you navigate student loans with free advice and expert resources.



How to Succeed With Student Loans



Start repayment while in school

Any amount of money that you can put towards your student loans before you graduate will make a huge impact later. Even just paying the interest while in school means you will pay off your loan faster.



Graduate ASAP – enroll, focus, and finish in as little time as possible

The more time it takes you to graduate, the more it will cost. Adding years onto your degree will also take a toll on your finances. Try to take as many credits as possible per semester, focus, and finish ASAP.



Borrow for tuition, not for lifestyle

That \$4 daily latte might fuel your studying but your daily coffee habit can add up to over \$1,400 per year. It's not worth taking out additional student loans to pay for lifestyle expenses that can be controlled.



Limit total borrowing to less than your expected 1st-year salary

Some careers pay more than others. What do you think your first year's salary will be once you graduate? Make sure you don't borrow more money than your future career will allow you to reasonably repay.



Aim to pay off your student loans in 10 years

The standard repayment for federal student loans is 10 years, this can be extended to 20 years but wouldn't you rather have the extra cash each month in your pocket?



Don't ignore your student loans

It's easy to forget about your future financial obligations when you are in school and focused on your coursework. Being aware of all of your repayment options and making a plan now will help you transition into repayment easier.

Student Loan Repayment Plans & Options

Standard Repayment

This is the plan you will automatically be enrolled under unless you ask for a different plan. Under the Standard Repayment Plan, payments of principal and interest are divided into equal monthly installments throughout the repayment period.

- **Is this plan for me?** Everyone is automatically enrolled in this plan unless you ask for an alternative repayment option
- **Benefits:** Least expensive total loan repayment option.
- **Disadvantages:** Monthly payments might be higher than other options.
- **Timeframe:** Up to 10 years (or up to 25 years depending on the total amount of your loans.)

Graduated Repayment

The Graduated Repayment Plan allows borrowers to make smaller payments at the beginning of the repayment term, which gradually increase over time. This allows for your payments to increase as your earnings increase after graduating.

- **Is this plan for me?** If you need lower monthly payments after graduating but expect you will start earning more later this is a good plan to consider.
[Check the Repayment Estimator](https://studentloans.gov/myDirectLoan/repaymentEstimator.action) <https://studentloans.gov/myDirectLoan/repaymentEstimator.action>
- **Benefits:** Lower monthly payments at first and then they increase every 2 years
- **Disadvantages:** Over the entire time period of this plan your monthly payments will eventually be greater than standard repayment plan, plus you will end up paying more interest on this plan.
- **Timeframe:** Up to 10 years (or up to 25 years depending on the total amount of your loans.)

Student Loan Repayment Plans & Options

Extended Repayment

If you have accumulated more than \$30,000 in student loan debt, the repayment period may be extended up to 25 years. The extended plan may be used along with the standard or graduated plans.

- **Is this plan for me?** If you have a larger student loan debt (more than \$30,000) and need lower monthly payments and more time this plan might work.
[Check the Repayment Estimator](https://studentloans.gov/myDirectLoan/repaymentEstimator.action)
- **Benefits:** Pay less each month and have a longer time to repay the total loan.
- **Disadvantages:** This is a more expensive option as you will end up paying more interest over the longer time period.
- **Timeframe:** Repayment period extended up to 25 years.

Income-Based Repayment

These plans are designed to keep your payments affordable based on how much money you make. Income driven repayment plans are based on your earnings and family size and are evaluated and adjusted every year. You must certify your income each year to continue to qualify for these plans.

- **Is this plan for me?** If you need to reduce your monthly payments and meet the qualifications. [Check the Repayment Estimator](https://studentloans.gov/myDirectLoan/repaymentEstimator.action)
- **Benefits:** Affordable monthly payments are based on how much money your household earns.
- **Disadvantages:** These plans may not cover the interest on your loan and you may end up paying more interest over the life of the loan. As your income rises, so does your payment, and the payment may become higher than under the standard repayment plan. Also, you might have to pay income tax on any loan amount that is forgiven.
- **Timeframe:** These plans vary in timeframe and after 20 or 25 years of making qualifying payments, you might be eligible for loan forgiveness on the remaining balance. If your income increases and you no longer qualify for reduced payments under this plan or you don't re-certify annually then your monthly payment will increase to pay off the balance in 10 years.

Top Reasons Why Paying Your Student Loans On Time is Essential

Did you know that not paying your student loan is one of the worst things you can do to your financial future? Not paying your loan can have serious consequences for years.



- 1 Not paying your student loan bill on time or defaulting on your loan can follow you for your entire life.
- 2 If you don't pay, your wages could be garnished or the government could seize your tax refunds.
- 3 A delinquent or defaulted loan can destroy your credit and make it difficult (or impossible) to get a credit card, auto loan or a home mortgage.
- 4 You may also have trouble getting a cell phone plan, renting an apartment, or signing up for utilities.
- 5 Bad credit may result in higher interest rates on future loans than someone with good credit.
- 6 It can take many years to reestablish a good credit record.
- 7 Student loans are not eligible to be discharged in bankruptcy (they are only discharged in very rare cases of "undue hardship".)

Money Saving Tips While In-School

There are things you can start to do today to save money and reduce the need for additional debt as you journey towards graduation. Here's some of our best recommendations:



- **Enroll full time** and take as many hours as you can. For many schools 12-18 credit hours is considered full-time so if you can take 15 or 18 hours per semester you'll graduate faster.
- Go to **summer school**, those extra hours will help you finish.
- Buy **used books** or see if you can rent books. Ask your instructor/professor if older editions of books will work for the class.
- Keep applying for **scholarships and grants** each semester. There is free money available for sophomores, juniors and seniors.
- Take a **homemade lunch** (i.e., less take-out more PB&J).
- **Live at home** with your parents to save money on rent (that is if your parent's won't charge you). Don't want to live at home? **Roommates** help share costs.
- Get professional help to **create a monthly budget**. See if your school or bank offer free programs or services to help you out.
- Get a **part-time job** or apply for work study programs to bring in income while in school.

Resources Links

Here's a list of helpful websites with additional information and tools for student loans:

Making Sense of Student Loans

<https://www.feedthepig.org/master-credit-debt/student-loans>

Federal Student Aid Repayment Plans

<https://studentaid.ed.gov/sa/repay-loans>

Student Loan Repayment Estimator

<https://studentloans.gov/myDirectLoan/repaymentEstimator.action>

Consumer Financial Protection Bureau

<https://www.consumerfinance.gov/paying-for-college/>

Student Loan Calculator

<https://bigfuture.collegeboard.org/pay-for-college/loans/student-loan-calculator>

Budgeting Resources for College Students

<https://collegeinfo geek.com/make-money-destroy-loans/>

Apps for Paying off Student Loans

<http://college.usatoday.com/2017/04/15/apps-paying-student-loans/>



Have questions, need help? Our services are free.

Email us at: help@GetWisEdu.org

Call us at: 866.761.9991